



# **WHISTLEBLOWER POLICY**

## **PREFACE**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees, directors and stakeholders of the Company who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy ("the Policy") has been formulated in line with the requirements under the Companies Act, 2013 and the SEBI LODR Regulations. The Policy provides mechanism for the directors, employees and stakeholders of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Policy was adopted by the Board of Directors in their meeting held on 11<sup>th</sup> April, 2018 and effective from 11<sup>th</sup> April, 2018.

The Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## I. DEFINITIONS

- a) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.
- b) **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- c) **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Whistle Officer/ Chairman of the Audit Committee and includes the auditors of the Company and the police.
- d) **“Disciplinary Action”** means any action that can be taken during the/ completion of the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action, as is deemed to be fit considering the gravity of the matter.
- e) **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity undertaken by the Company/ Director/ any other person of the Company. Protected Disclosures should be factual and not speculative in nature.
- f) **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- g) **“Whistleblower”** is an employee/ customer/ vendor/ any other aggrieved person making a Protected Disclosure under this Policy.
- h) **“Good Faith”**: An employee shall be deemed to be communicating in “good faith” if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- i) **“Policy or This Policy”** means, “Whistleblower Policy.”

**“Unpublished Price Sensitive Information”** (UPSI) means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delisting, disposals and expansion of

business and such other transactions;

- change in key managerial personnel; and
- such other information as communicated by the Compliance Officer on need basis

## II. **SCOPE**

1. Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:
  - i. Employees of the Company
  - ii. Employees of other agencies deployed for the Company’s activities, whether working from any of the Company’s offices or any other location
  - iii. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
  - iv. Customers of the Company
  - v. Any other person having an association with the Company
2. A person belonging to any of the above mentioned categories can avail the channel provided by this Policy for raising an issue covered under this Policy.
3. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

4. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Whistle Officer or the Chairman of the Audit Committee or the Investigators.
5. Protected Disclosure will be appropriately dealt with by the Whistle Officer or the Chairman of the Audit Committee, as the case may be.
6. As required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has also formulated policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. Any person willing to report such leak or suspected leak should follow the process detailed in this Whistle blower policy

### III. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

*The Policy covers malpractices and events which have taken place/ suspected to take place involving, but not limited to:*

- 1) Abuse of authority
- 2) Breach of contract
- 3) Negligence causing substantial and specific danger to public health and safety
- 4) Manipulation of company data/records
- 5) Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- 6) Any unlawful act whether Criminal/ Civil
- 7) Pilferage of confidential/propriety information
- 8) Deliberate violation of law/regulation
- 9) Wastage/misappropriation of company funds/assets
- 10) Breach of Company Policy or failure to implement or comply with any approved Company Policy
- 11) Any instances of leak or suspected leak of UPSI

#### **IV. GUIDING PRINCIPLES**

To ensure that this Policy is adhered to and to assure that the concern will be acted upon seriously, the Company will:

- 1) Ensure that the Whistleblower and/ or the person processing the Protected Disclosure is not victimized for doing so;
- 2) Treat victimization as a serious matter, including initiating disciplinary action on such person/(s);
- 3) Ensure complete confidentiality;
- 4) Not attempt to conceal evidence of the Protected Disclosure;
- 5) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/ to be made;
- 6) Provide an opportunity of being heard to the persons involved especially to the Subject.

#### **V. DISQUALIFICATIONS**

- 1) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 2) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- 3) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

## VI. PROTECTION TO WHISTLEBLOWER

- 1) If one raises a concern under this Policy, he/ she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

***The protection is available provided that:***

- a) The communication/ disclosure is made in good faith.
- b) He/ She reasonably believes that information, and any allegations contained in it, are substantially true; and
- c) He/ She is not acting for personal gain.

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

- 2) The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.
- 3) Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.



## **VII. INVESTIGATORS**

- 1) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Whistle Officer/ Audit Committee when acting within the course and scope of their investigation.
  
- 2) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
  
- 3) Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Whistle Officer, as the case may be, which establishes that:
  - a. the alleged act constitutes an improper or unethical activity or conduct, and
  
  - b. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

## **VIII. ACCOUNTABILITIES – WHISTLEBLOWERS**

- 1) Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- 2) Avoid anonymity when raising a concern
- 3) Follow the procedures prescribed in this policy for making a Disclosure
- 4) Co-operate with investigating authorities, maintaining full confidentiality
- 5) The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- 6) A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- 7) Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- 8) In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/ she can make a direct appeal to the Chairman of Audit Committee of the Company.

## **IX. ACCOUNTABILITIES – WHISTLE OFFICER AND WHISTLE COMMITTEE**

- 1) Conduct the enquiry in a fair, unbiased manner
- 2) Ensure complete fact-finding
- 3) Maintain strict confidentiality
- 4) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- 5) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- 6) Minute Committee deliberations and document the final report

## **X. RIGHTS OF A SUBJECT**

- 1) Subjects have right to be heard and the Whistle Officer or the Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter
- 2) Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.

## **XI. MANAGEMENT ACTION ON FALSE DISCLOSURES**

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company rules and policies.

## **XII. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES**

Refer Annexure A for details on the procedure for reporting & dealing with disclosures

## **XIII. ACCESS TO REPORTS AND DOCUMENTS**

All reports and records associated with “Disclosures” are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Whistle Officer. “Disclosures” and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

## **XIV. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 07 years.

## **XV. REPORTS**

The Whistle Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

## **XVI. COMPANY’S POWERS**

The Company is entitled to amend or modify this policy in whole or in part at any time without assigning any reason whatsoever. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

## **ANNEXURE A - PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES**

### **1. How should a Disclosure be made and to whom?**

A Disclosure should be made in writing.

Letters can be submitted by hand-delivery, email, courier or by post addressed to the Whistle Officer appointed by the Company.

All Protected Disclosures concerning financial/accounting matters and those concerning the Whistle Officer and employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company for investigation.

In respect of all other Protected Disclosures, it should be addressed to the Whistle Blower of the Company.

### **2. What are coordinates of the Whistle Officer and Chairman of the Audit Committee?**

- 1) The contact details of the Chairman of the Audit Committee are as under:

**Mr. R. Ramakrishnan**

Email: ramakrishnan067@gmail.com

- 2) The contact details of the Whistle Officer are as under:

**Chief People Officer**

Solara Active Pharma Sciences Limited

2nd Floor, Embassy Vogue

2/1 Palace Loop Road

Vasanth Nagar, Bangalore 560 052

Email: [whistle.blower@solara.com](mailto:whistle.blower@solara.com)

- 3) If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Whistle Officer, the same should be forwarded to the Company's Whistle Officer or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

### **3. Is there any specific format for submitting the Disclosure?**

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

- 1) Name, address and contact details of the Whistleblower (add Employee ID if the Whistleblower is an employee).
- 2) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.
- 3) In case of letters, the disclosure should be sealed in an envelope marked "Whistle Blower" and addressed to the Whistle Officer OR Chairman of the Audit Committee.

### **4. What will happen after the Disclosure is submitted?**

- 1) The Whistle Officer shall acknowledge receipt of the Disclosure as soon as possible (within 07 days of receipt of a Disclosure), where the Whistleblower has provided his/her contact details.
- 2) The Whistle Officer will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice by discussing with the Chairman of the Audit Committee. If the Whistle Officer determines that the allegations do not constitute a Malpractice, he/she will record this finding with reasons and communicate the same to the Whistleblower
- 3) If the Whistle Officer determines that the allegations constitute a Malpractice, he/she will proceed to investigate the Disclosure with the assistance of the Whistle Committee comprising of senior members from Human Resources, Internal Audit and a representative of the Division/ Department where the breach has occurred, as he/she deems necessary. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Whistle Officer shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.

- 4) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 5) Subjects shall have a duty to co-operate with the Whistle Officer / Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 6) The Whistle Officer / Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- 7) The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Whistle Officer or Whistle Committee for the purpose of such investigation shall do so. Individuals with whom the Whistle Officer or Whistle Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- 8) If the Malpractice constitutes a criminal offence, the Whistle Officer will bring it to the notice of the Chairman of the Audit Committee and take appropriate action including reporting the matter to the police.
- 9) The Whistle Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Whistle Officer as soon as practically possible and in any case, not later than 45 days from the date of receipt of the Disclosure. The Whistle Officer may allow additional time for submission of the report based on the circumstances of the case.
- 10) Whilst it may be difficult for the Whistle Officer to keep the Whistleblower regularly updated on the progress of the investigations, he/she will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.

11)The Whistle Officer will ensure action on the recommendations of the Whistle Committee/ Officer and keep the Whistleblower informed of the same. Though no timeframe is being specified for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.

**5. What should I do if I face any retaliatory action or threats of retaliatory action as a result of making a Disclosure?**

If you face any retaliatory action or threats of retaliatory action as a result of making a Disclosure, please inform the Whistle Officer in writing immediately. He/ She will treat reports of such actions or threats as a separate Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect you from exposure to such retaliatory action and ensure implementation of such steps for your protection.



# PROCESS FLOWCHART

