

**In supersession of earlier policy;**

## VIGIL MECHANISM (WHISTLE BLOWER POLICY)

### 1. PREFACE

Laurus Labs Limited (the “**Company**”) believes in the conduct of the affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

Section 177 (9) & 177(10) of the Companies Act, 2013 (the “**Companies Act**”) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”), inter-alia, require the Company to establish a vigil mechanism by way of ‘Whistle Blower Policy’, to report to the management instances of unethical practices, illegal activities and / or actual or suspected fraud or violation of the company’s code of conduct or ethics policy.

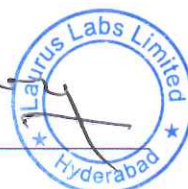
The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects Directors and Employees (defined hereinafter) wishing to raise a concern about serious irregularities within the Company.

The policy neither releases Directors and Employees from their duty of confidentiality in the course of their work, nor is a route for taking up a grievance about a personal situation.

This Policy has been constituted pursuant to the stated provisions of the Companies Act and provides for direct access to the Chairman of the Audit Committee in exceptional cases and ensures that the Whistle Blower is provided with adequate safeguards against victimization.

### 2. POLICY

- This Policy is for the Directors and the Employees.



- The Policy has been drawn up so that the Directors and Employees can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 4 below.

### 3. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:

- 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, read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 8 of the SEBI Listing Regulations and is being authorized to oversee the Vigil Mechanism of the Company;
- b) **“Company”** shall mean Laurus Labs Limited;
- c) **“Concerned Authority”** means the Chairman of the Audit Committee of the Board of Directors;
- d) **“Director”** means as director appointed on the Board of the Company;
- e) **“Employee”** means every employee (probationer, confirmed and outsourced) of the company, including executive Directors of the Company;
- f) **“Improper / unethical behaviour / act”** for the purpose of this policy means and includes suspected or alleged illegal, false, misleading, dishonest, deceptive, unethical, corrupt or unconscionable conduct and also include other acts pertaining to breach of policy / misappropriation / harassment etc. which could also be part of Code of Conduct and malpractices policy in place;
- g) **“Protected Disclosure”** means any communication made in good faith to disclose information that evidences an improper / unethical behaviour; Protected Disclosure shall be factual and not speculative in nature;
- h) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation;
- i) **“Whistle Blower”** shall mean a person (including an artificial person) who makes a Protected Disclosure under this Policy. He / she are neither an investigator nor a finder of facts, nor does he / she determines the appropriate corrective or remedial action that may be warranted.





#### 4. SCOPE OF THE POLICY

This Policy covers actual or suspected malpractices, illegal activities and instances as indicated below and allows the Whistle Blower to report the same to the Concerned Authority(ies):

- Misrepresentation of facts or falsification of records / reports of the Company;
- Misuse of Company assets / funds; (e.g. forged bills, personal use of company assets etc.);
- Pilferation of confidential information to advance personal interests;
- Dual employment directly or indirectly, affecting the interest of the Company;
- Any undue favour to customer(s) for personal gains; (e.g. forging of documents, deliberately hiding important facts, etc.);
- Misuse/taking undue advantage of functional procedural lapse, including misrepresentation of the facts;
- Indulgence in any unlawful act involving violation of any criminal / civil law / legislations;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination, coercion, harassment in the course of employment or provision of services;
- Breach of Company policy;
- Manipulation of Company's data / records; and
- Dangerous practice(s) likely to cause physical harm / damage to any person / property.

However, the above should be supported by proper evidence and reliable information. Care should be taken not to indulge in baseless allegation and should not be used in place of the Company's grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

If a complaint, after an investigation proves to be frivolous, malicious or made with an ulterior intent, the Audit Committee shall take appropriate disciplinary against the concerned Whistle Blower.

Any Employee and / or Director, knowingly hiding information in any form regarding any unethical practice/activities in one's work place will also constitute unethical practice on the Employee's part.

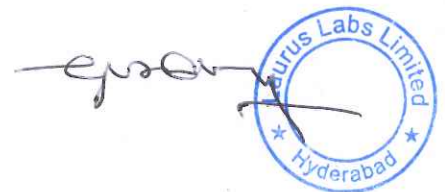


## 5. DISQUALIFICATIONS

- a) 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.
- b) 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.
- c) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make three (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.

## 6. GUIDELINES

- a) Reporting under the Policy is critical for early detection, proper investigation and remediation and deterrence of violations of Company policies or applicable laws and regulations.
- b) The Company shall maintain the confidentiality of the Whistle Blower and ensure to provide complete protection from any kind of unfair treatment for disclosing in good faith any unethical or improper practices or alleged wrongful conduct. It will be ensured that the Whistle Blower or any other person, processing or investigating or assisting in the investigation of the Protected Disclosure is not victimized.
- c) A Whistle blower shall not be at a risk of suffering any form of reprisal or retaliation (includes discrimination, harassment or vengeance in any manner). However, incidents of retaliation, if any, against the Whistle Blower or person investigating the matter or assisting in the investigation would be taken seriously by the Company and will result in appropriate disciplinary action against the official(s) responsible.
- d) In case any member of the Audit Committee has a conflict of interest in any given matter reported to the Audit Committee, the said member should not participate in the discussion / investigation relating to the said matter/s. The remaining members of the Audit Committee shall be authorized to deal with the said matter/s.





## 7. PROCEDURES FOR REPORTING PROTECTED DISCLOSURES

- a) The Protected Disclosures shall be made in writing and addressed to :

“The Audit Committee,  
2<sup>nd</sup> Floor, Serene Chambers, Road No. 5, Banjara Hills, Hyderabad 500  
034.”

Email id : ravi.vantaram@lauruslabs.com

- b) The Protected Disclosures expressed anonymously will not be investigated.

## 8. INVESTIGATION PROCESS

- a) On receipt of the Protected Disclosure, the Concerned Authority may appoint / authorize an investigator / group of investigators or department personnel to investigate into such acts. The Concerned Authority may, depending on the Protected Disclosure received, outline the detailed procedure and scope for the conduct of such investigation.
- b) The Subject shall be informed of the allegation at the time when the Concerned Authority on their preliminary review of the matter determine that the Protected Disclosure made needs to be investigated further and shall also be provided with an opportunity of being heard during the investigation.
- c) The Concerned Authority shall have the right to call for information / document and / or examination of any Employee (including the Subject and Whistle Blower) as they may deem necessary in the process of investigation.
- d) It is expected that the Subject co-operates with the Concerned Authority or the authorized person appointed to conduct investigation. The Subject shall not interfere in the investigation process by non-cooperation, *mala fide* intent, undue influence or tampering record / evidence.

## 9. DECISION

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.



**10. CONFLICT OF INTEREST**

In case the members of the Audit Committee or the Board of Directors have any conflict of interest, in a given case, such persons shall recuse themselves from the investigation, hearing and decision making on the said complaint and other members on the Audit Committee shall deal with the matter on hand.

**11. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company.

**12. AMENDMENTS / MODIFICATIONS**

The Company, subject to applicable law and with the approval of the Audit Committee or the Board of Directors, can, at any time, modify, suspend or rescind, either the whole or any part of this policy.

DATE: August 9, 2016

