

Vimta Labs Limited

Policy on Whistle Blower

1. APPLICABILITY

This Policy applies to all the permanent employees of the Company.

2. POLICY

This policy is formulated in line with the requirement of circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October, 2004 issued by Securities Exchange Board of India (SEBI) read with Clause 49 Corporate Governance) of Listing Agreement with Stock Exchanges, to provide opportunities to employees to access to the management concern (in exceptional cases to the Audit Committee) in case they observe unethical or improper practices (not necessarily a violation of law) in the company and to secure those employees from unfair termination and unfair prejudicial employment practices.

3. DEFINITIONS

3.1 Annual Report

“Annual Report” includes all reports which are required to be placed before the members of the Company annually i.e. Balance Sheet, Profit & Loss Account, Directors Report, Auditors’ Report and every other document which is required to be annexed or attached or forming part thereof.

3.2 Audit Committee

“Audit Committee” is the Committee which is constituted pursuant to Section 292A of the Companies Act, 1956 read with Clause 49(II) of Listing Agreement with Stock Exchanges.

3.3 Board Report

“Board Report” has the same meaning as defined under section 217 of the Companies Act, 1956.

3.4 Employee

A person who performs a full time service for the Company for wages, salary, or other remuneration.

3.5 The Company or this Company

“The Company” or “This Company” means “VIMTA LABS LIMITED”

3.6 Good faith

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An employee communicates in “good faith” if there is a reasonable basis for the communication of the existence of waste or of a violation or has observed unethical or improper practices. “Good Faith” is lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical or improper practices is malicious, false or frivolous.

3.7 *Internal Circulars*

“Internal Circular” is a communication made on behalf of the Company by an authorised person which is addressed to the employees of the Company through any mode including but not restricted to email, fax, phone, notice board, inter office memo including personal memo, etc.

3.8 *Right of Access or Right of Approach*

The right of an employee to give a written report to the Audit Committee any misconduct or unethical or improper practice, which an employee has observed or found in the Company.

3.9 *Supervisor*

“Supervisor” means the seniors of the employee to whom he is expected to report in his official work.

3.10 *Unfair Termination and Unfair Prejudicial Employment Practices*

“Unfair termination” and “Unfair Prejudicial Employment Practices” means to threaten, or otherwise discriminate or retaliate against an employee in any manner that may effect the employee’s employment, including compensation, job location, rights, immunities, promotions, or privileges.

3.11 *Unethical or Improper Practices*

3.11.1 ***Unethical*** – Unethical act is the act not conforming to the approved standards of social or professional behavior which leads to “unethical business practices” or an action not adhering to ethical, moral and honorable principles including harassment as indicated in the Company’s Anti-harassment Policy.

3.11.2 ***Improper*** - Improper refers to unethical conduct, breach of etiquette or morally offensive behaviors including sexual harassment.

3.11.3 ***Violation*** – An infraction or breach which is not necessarily a violation of law, of Company’s policies, Memorandum and Articles of Association, code of conduct designed to protect the interest of employees without jeopardizing interest and growth of company.

3.11.4 ***Waste*** – Employer’s conduct or omission, which may results in substantial abuse, misuse destruction or loss of company funds, property or manpower belonging to the Company.

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3.11.5 ***Whistle Blower*** – An Employee who reveals wrongdoings about any Unethical or Improper practices carried on by the Company and communicates in Good Faith to the Audit Committee in writing.

4. GUIDELINES

4.1 *Internal Policy*

The Whistle Blower Policy (hereinafter referred as “WBP”) is an internal policy an access to the management concern and in exceptional cases to Audit Committee.

4.2 *Prohibition*

The “WBP” prohibits company from taking any action which may lead to unfair termination or unfair prejudicial employment practices (i.e. threaten, demote, relocate etc.) against its employees for Whistle Blowing in Good Faith. However, this policy does not protect an employee from an adverse action which occurs before a violation or waste report is communicated or from misconduct, poor job performance, or subjection to a reduction in work force unrelated to a communication made pursuant to the Whistle Blower Policy.

A. *Reporting Authority* – Management Concern or Audit Committee shall be the reporting authority under this policy.

B. *Supervisor’s Duties & Responsibilities*

B.1 Familiarize themselves with this policy.

B.2 Notify supervised employees of their protections and obligations under the “Whistle Blower Policy” of the Company.

B.3 Forward the reports received from the subordinates to the Management or Audit Committee.

C. *Rights of Complainants*

When reporting in good faith any violation or unethical or improper practices as defined in this policy, communicate in writing along with all necessary evidences.

D. *Audit Committee’s Responsibilities*

D.1 Maintenance of Register of Whistle Blower’s Reports – Audit Committee shall maintain a register for registration of Whistle Blower’s Report. Each report shall bear unique number. The Audit Committee shall satisfy itself as to the existence of a prima facie case before registering the reports..

D.2 Determination of nature of Reports – Audit Committee shall determine the nature of Reports keeping in view to the requirement of SEBI circular dated 26th August, 2003, and determining appropriate course of action.

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The reports may be determined in two broad categories.

- (a) Any unethical or improper practices.
- (b) Any wrongful action taken by the management against the employee who has approached to Audit Committee under point (a) above.

Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received internally, investigating the merits of the assertion and determining the necessary course of action.

Further, the Chairman and/or the Committee, as the case may be, shall have the authority to call for any information/documents and such examination of any employees etc. for determining the correctness of the complaints.

- D.3 ***Essential Factors*** – While determining the alleged assertion, the following factors may be considered :
 - D.3.1 Accuracy of the information furnished;
 - D.3.2 Nature and quality of evidence;
 - D.3.3 Existence of relevant laws and rules;
 - D.3.4 Whether action appears to be isolated or systematic;
 - D.3.5 History of previous assertions regarding the same subject or subject matter;
 - D.3.6 What are the avenues available for addressing the matter;
 - D.3.7 Seriousness or significance of the asserted action and
 - D.3.8 Cost and benefit of potential investigation.
 - D.3.9 Brief background of the Whistle Blower Policy.
- D.4 ***Objectivity and Independence*** – To be objective, thorough and Independent of influence in conducting interviews and/or review of relevant documents associated with whistle blower reports.
- D.5 ***Maintenance of Confidentiality*** – Maintain confidentiality of the whistle blower and witnesses who provide information, as appropriate.
- D.6 ***Clarity in Proceedings*** – Document investigation activities and conclusions in a clear and understandable fashion.
- D.7 ***Referral to Committee or Officials*** – Make referrals to appropriate committee or officials on discovery of reasonable cause to believe that company's policy, regulation etc. have been violated, and follow up until appropriate corrective action has been taken.
- D.8 ***Time Frame for Redressal of Reports*** – Audit Committee shall complete all the formalities and shall resolve the matter at the earliest possible.

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- D.9 Reporting to Board of Directors of the Company – Audit Committee shall submit a report the Board in their meeting to be held immediately after the completion of WB report.

E. Actions Prohibited by the Whistle Blower Policy

The Company shall not

- E.1 Threaten, discriminate or retaliate against an employee in any manner that affects the employee's employment (i.e. compensation, job location, rights, immunities, promotions or privileges) when an employee engages in an activity protected by the policy).

This does not preclude a supervisor from taking appropriate action against an employee for misconduct, poor job performance, or a reduction in the workforce within the policy of the company.

- E.2 Adverse action against an employee who participates or gives information in an investigation, or hearing, or in any form of inquiry initiated by the Audit Committee.

F. Course of action available to the Employees

- F.1 An employee who alleges adverse action (whistle blower) under the WBP may approach to the Audit Committee or Board of Directors for appropriate relief within 6 months, if any action is taken against the employee in violation of the Clause E of the policy.

- F.1.1. The employee has the burden of proof in establishing that he or she has suffered an adverse action for an activity protected under the WBP.

- F.1.2. The management of the Company shall have an affirmative defense if it can establish by a preponderance of the evidence that the adverse action taken against the employee was due to employee misconduct, poor job performance, or a reduction of workforce unrelated to a communication made pursuant to the WBP.

- F.2 ***Remedies*** – The Audit Committee or Board of Directors rendering judgement under the WBP may order any or all of the following remedies:-

- F.2.1 order an injunction to restrain continued violation of the provisions of the WBP;

- F.2.2 reinstate the employee to the same position or to an equivalent position;

- F.2.3 reinstate full fringe benefits and retirement service credit;

- F.2.4 order compensation for last wages, benefits, and any other remuneration;

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G. Employee Notification

All employees shall be notified of the existence and contents of this policy through Company's Intra-net

The intimation in this regard will be forwarded to the Stock Exchanges where the securities of the company are listed.

H. WBP shall be available on the web site of the Company

The “Whistle Blower Policy” adopted by the Board, and any amendment made from time to time, shall be made available on the web site of the Company.

I. Annual Affirmation on the Compliance of WBP

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and that it has provided protection to “whistle blowers” from unfair termination and other unfair prejudicial employment practices.

J. Disclose in Corporate Governance Report

The affirmation as referred in point I above shall form part of the Board Report on Corporate Governance that is required to be prepared and submitted together with the annual report.

K. The Board of Directors shall alter, amend or modify the clauses of the Whistle Blower Policy from time to time in line with the requirement of the SEBI Guidelines or any other rules, regulations etc. which may be applicable to the Company from time to time.