

**CAPLIN POINT LABORATORIES LIMITED WHISTLE BLOWER POLICY
(VIGIL MECHANISM)**

Table of Contents

1) PREAMBLE.....	3
2) DEFINITIONS.....	3
3) OBJECTIVES	4
4) SCOPE.....	5
5) GENERAL PRINCIPLES.....	6
6) PROCEDURE AND REPORTING CHANNELS.....	6
7) INVESTIGATION.....	7
8) ETHICS COMMITTEE	9
9) SAFEGUARDING THE WHISTLE-BLOWER	10
10) FALSE REPORTING	10
11) RETENTION OF DOCUMENTS.....	10
12) AMENDMENT	11
Annexure-1	12
ACKNOWLEDGEMENT AND AGREEMENT REGARDING THE WHISTLE BLOWER POLICY	12

1) PREAMBLE

- a) Caplin Point Laboratories Limited (hereafter referred to as “the Company”) is committed to comply with various applicable laws, satisfying the Company’s code of conduct and ethics, and particularly to assure that the business is conducted with integrity and that the Company’s financial information is accurate.
- b) The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. If potential violation(s) of the Company’s policies or applicable laws are not recognized and addressed promptly, both the Company and the persons working for or with the Company can face investigation, prosecution, fines, and other penalties that can be a costly affair and which may adversely impact the reputation of the Company.
- c) Section 177(9) of the Companies Act, 2013 (the Act, 2013) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) *inter-alia* requires a listed company to devise an effective whistle blower mechanism enabling the stakeholders including its directors and employees to report their genuine concerns about illegal or unethical practices. Further, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) also requires a listed company to have a whistle blower policy and make employees aware of such policy to enable them to report instances of leakage/ suspected leakage of Unpublished Price Sensitive Information (UPSI).
- d) Accordingly, the Whistle Blower Policy of the Company (“the Policy”) has been formulated and approved by the audit committee and the board of directors of the Company (“Board”).

2) 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 read with Regulation 18 of the Listing Regulations.
- b) “**Disciplinary Action**” means any action that can be taken on the completion of /during 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.

- c) **“Employee”** means all employees (including contractual/fixed term and casual) of the Company, part time or full time.
- d) **“Ethics Committee”** means a committee comprising of members of the Company to manage the whistle-blower mechanism and to receive, investigate and recommend actions on Complaints.
- e) **“Frivolous Complaint”** means any Protected Disclosure that is speculative in nature.
- f) **“Genuine Concern or Complaint”** is a concern on any misconduct or malpractice or any other Unethical activity that is factual and not speculative in nature.
- g) **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee.
- h) **“Protected Disclosure”** means a Genuine Concern that discloses or demonstrates information that may evidence any misconduct or malpractice or other Unethical activity.
- i) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of the investigation.
- j) **“Third-Party”** means vendor, supplier, dealer, consultants, contractors and any other third-party associated with the Company.
- k) **“Unethical Activity”** means any unethical behaviour or activity that includes, actual or suspected fraud, violation of the Company policies, activities adversely affecting Company’s reputation or brand image, violation of applicable laws, gross or wilful negligence causing substantial and specific danger to health, safety and environment in the Company, accounting or financial misreporting, bribery, graft and insider trading, etc.
- l) **“Whistle-blower”** means an individual who makes a Protected Disclosure under this Policy that includes an Employees, Director and Third-Party of the Company.

3) OBJECTIVES

- a) This Policy is applicable to all the units or factories of the Company and to all its Employees and Directors.
- b) This Policy is equally applicable to Third-Party to report a concern related to a potential violation of the Company’s Code of Conduct & Business Ethics Policy.

- c) This Policy:
- i. Provides a platform and mechanism for the Employees, Directors and Third-Parties to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal.
 - ii. It provides an environment that promotes responsible and protected whistle-blowing. It reminds Employees, Directors and Third-Parties about their duty to report any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct or Ethics Policy and other policies that are listed under the coverage section.
 - iii. Above all, it is a dynamic source of information about what may go wrong at various levels within the Company, which will help the Company in realigning various processes and to take corrective actions as part of good governance practice.

4) SCOPE

Without affecting the generality of the definition of Unethical Activity, the scope of Unethical Activity that is reportable under this Policy includes:

- a) Violation of the following policies:
 - i. Code of Conduct & Business Ethics
 - ii. Data Protection & Privacy Policy
 - iii. Environment, Health & Safety Policy
 - iv. Equal Opportunity Policy
 - v. Human Rights Policy
 - vi. Prevention of Insider Trading Policy
 - vii. Prevention of Sexual Harassment Policy
 - viii. Any other policies approved by the Board/ Senior Management
- b) Violation of any Laws applicable to the Company
- c) Violation of any internal control mechanisms
- d) Violation of Company's brand/ intellectual property guidelines

5) GENERAL PRINCIPLES

- a) No party, including the Subject(s) of a Whistle-Blower investigation, may interfere with the Investigation, any attempts to withhold, destroy, damage or tamper with evidence, or attempts to influence/coerce/threaten/entice a party participating in the investigation process, shall warrant a disciplinary action that may even include termination of employment of an associate or termination of association with a party. Furthermore, the Company shall ensure that any employee assisting in the said investigation is protected to the same extent as a Whistle-Blower.
- b) All parties must cooperate with the investigation process, without compromising their self-incrimination privileges under applicable laws. Furthermore, investigations must be treated as a fact- finding discovery procedure and not as an accusation in itself. It is possible that the outcome of the investigation may conclude that an Unethical Activity has not occurred.
- c) This policy does not cover the following indicative but not exhaustive aspects:
 - i. Compensation related issues like quantum of increments, bonus payout, etc.
 - ii. Queries relating to deduction of tax from salary, etc.
 - iii. Inappropriate administration services e.g. quality of food, malfunctioning of phones, etc.
 - iv. Malfunctioning of information technology assets like laptop, printers, etc.
 - v. Queries relating to job openings, internal transfers, etc.
 - vi. Recommendations to enhance operational efficiencies and/or strategy related decisions.
- d) Protection under this policy is available only for Genuine Complaint or Concern.

6) PROCEDURE AND REPORTING CHANNELS

- a) Any Protected Disclosure under this Policy shall be deemed to be made in good faith if there is a reasonable basis for communication of Unethical Activity 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 on the Unethical Activity or alleged wrongful conduct is malicious, false or frivolous.

b) If any Whistle Blower wants to report any Unethical Activity, he can do so in the prescribed format by opting any of the below mentioned mode of communication:

- i. An email can be written to ethics@caplinpoint.net about the matter to be reported. Only the chairman of the Audit Committee and the General Counsel & Company Secretary of the Company shall have access to this email id.
- ii. Written complaint can be also made by posting a letter to the following address:

**General Counsel & Company Secretary/
Chairman- Audit Committee
Caplin Point Laboratories Limited,
Ashvich Towers, 3rd Floor, #3 Industrial Estates,
Perungudi, Chennai – 600 096**

- iii. Any director of the Company who wishes to lodge a complaint may opt to write directly to the Chairman of the Audit Committee at ethics@caplinpoint.net.

c) Employees and Directors can choose to remain anonymous while reporting the Protected Disclosure and the Company will not make any attempt to discover the identity of the Whistle-blower. It would be mandatory for the Third-Parties to disclose their identity. A Whistle-blower reporting issues related to sexual harassment, child labor or discrimination or violation of human rights would necessarily need to disclose their identity. Complaints regarding sexual harassment will be dealt with as per the separate policy in relation to the same, even though it is reported under the Whistle Blower mechanism.

d) Protected Disclosures shall be reported in writing as soon as possible but no later than 30 days after he/ she becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

7) INVESTIGATION

a) All instances reported under this policy will be thoroughly investigated by the Ethics Committee of the company. Ethics Committee may, at its discretion, consider involving any external or internal investigators for the purpose of investigation. In such case, Ethics Committee shall appoint the Investigator(s).

b) Investigator(s) are required to proceed towards fact-finding and analysis with recourse to due

diligence. Investigators shall perform their role in an independent and unbiased manner. Investigators shall necessarily observe fairness/ objectivity, thoroughness, ethical behaviour and the highest professional standards. They are barred from discussing the content of the Protected Disclosure to any person inside or outside the Company who is not an essential witness, accused or co-accused. The Investigator(s) shall submit their report to the Ethics Committee within 45 working days from the receipt of such Protected Disclosure or such period as agreed/extended by the Ethics Committee.

- c) The member of the Ethics Committee shall not be a part of discussion on the matter related to his/her own conduct. In case the majority of the members of the Ethics Committee has conflict of interest, the remaining member(s) of the Ethics Committee shall share the details of the Complaint to the Chairman of the Audit Committee who shall decide on the mechanism for handling the said complaint.
- d) Investigation will be launched by the Ethics Committee after establishing that:
 - i. The alleged act constitutes an improper or Unethical Activity or conduct or a leak or suspected leak of Unpublished Price Sensitive Information as per the Company's Code for Prevention of Insider Trading, and
 - ii. The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information.
- e) The decision to conduct an investigation taken by the Ethics Committee is by itself not an accusation or conclusion and is to be treated as a neutral fact-finding process.
- f) The identity of the Subject and the Whistle Blower will be kept confidential and matter under investigation will also be kept confidential subject to the legitimate needs of law and investigation. In cases where it is deemed fit, advice from the chairman of the audit committee would be required to start / to conclude any investigation. In such case, the Ethics Committee may approach him and seek his advice.
- g) In case of serious issues of financial statement misrepresentation, fraud or violations of serious nature that would entail severe penalty or imprisonment to the Company and/or the Directors, the complainant may directly make the Protected Disclosure to the Chairman of the Audit Committee at ethics@caplinpoint.net or by way of a letter addressed to the

chairman of the Audit Committee at the address mentioned in Clause 6 (b) (iii) of this Policy. In such cases, Chairman of the Audit Committee shall determine the procedure and timelines for enquiring the complaint.

- h) The entire process of investigation under Clause 7 shall be completed within 90 days of the receipt of the Protected Disclosure from the Whistle-Blower.
- i) After considering the Investigation Report, the Ethics Committee shall recommend suitable disciplinary action. In all the cases, the decision of the Ethics Committee shall be final. However, in case of sexual harassment related Protected Disclosures, the decision of the Internal Committee shall be final which shall be only implemented by the Ethics Committee.
- j) The Ethics Committee will share feedback of every Complaint with the Whistle-blower if the contact details are provided by the Whistle-blower.
- k) In case of Protected Disclosure made directly to the Chairman of the Audit Committee, the provisions pertaining to Investigation and timelines shall apply. However, the decision regarding disciplinary action shall vest with the Audit Committee of the Board which shall consider the investigation report.

8) ETHICS COMMITTEE

- a) The Company has constituted an Ethics Committee comprising of the following members as appointed by the Chairman of the Audit Committee:
 - i. Managing Director
 - ii. Chief Operating Officer
 - iii. Chief Financial Officer
 - iv. General Counsel & Company Secretary
 - v. Head - Human Resources

- b) The Ethics Committee shall:
 - i. Conduct the enquiry in a fair and unbiased manner.
 - ii. Ensure complete fact-finding.
 - iii. Maintain strict confidentiality.
 - iv. Decide on the outcome of the investigation, whether an Unethical Activity has been committed and if so by whom.

- v. Decide on the appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- vi. Minute Committee deliberations and document the final report
- vii. Submit a report to the Audit Committee regarding the effective functioning of the Whistle-blower mechanism, at such intervals as the Committee may specify which shall not be more than six months.

9) SAFEGUARDING THE WHISTLE-BLOWER

- a) An Employee or Third-Party making a Protected Disclosure shall not be victimized and his/her interests shall not be prejudicially affected on such account. No action by way of discrimination, harassment, victimization, suspension or reduction or discontinuation of business or any other unfair employment practice like threat or intimidation or termination or suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like will be adopted against such Employee or Third-Party on account of his or her making such Protected Disclosure.
- b) Any Employee or Director assisting in the said investigation shall be protected to the same extent as the Whistle-blower.
- c) Any person who victimizes or subjects any Whistle Blower to unfair treatment in violation of this Clause on account of the Whistle Blower having made a Disclosure shall be subject to disciplinary action, which may include termination of services or legal action.

10) FALSE REPORTING

If at any time, it is revealed that the concern was raised with mala-fide intent, then the person reporting it will be subjected to disciplinary action, that may even include termination of employment of an associate or termination of association with a party.

11) RETENTION OF DOCUMENTS

Documents received/generated during reporting, investigation and enforcement pursuant to this policy, shall be retained as per Caplin's Policy on Preservation of Records and applicable laws or regulations.

12) AMENDMENT

The Company reserves the right to amend, abrogate, modify, rescind / reinstate the entire Policy or any part of it at any time. Any such amendment or modification shall come into effect on and from the date the same is approved by the Board of Directors of the Company. The amended version of the Policy shall be uploaded onto the website within twenty-four hours of such an amendment.

Last Updated on 27th May 2023

Annexure-1

ACKNOWLEDGEMENT AND AGREEMENT REGARDING THE WHISTLE BLOWER POLICY

This is to acknowledge that I have received a copy of the Company's Whistle-Blower Policy. I understand that compliance with applicable laws and the Company's Code of Conduct and Ethics is important and, as a public company, the integrity of the financial information of the Company is paramount.

I further understand that the Company is committed to a work environment free of retaliation for employees who have raised concerns regarding violations of this Policy, the Company's Code of Conduct and Ethics or any applicable laws or other applicable policies mentioned and that the Company specifically prohibits retaliation whenever an employee makes a good faith report regarding such concerns.

Accordingly, I agree that to the extent that I reasonably suspect there has been a violation of applicable laws or the Company's Code of Conduct and Business Ethics or other applicable policies, including any retaliation related to the reporting of such concerns, I will immediately report such conduct in accordance with the Company's Whistle-Blower Policy.

I further agree that I will not retaliate against any employee for reporting a reasonably suspected violation in good faith.

Employee's Signature

Employee's Name in Full

Date in DD-MM-YYYY

