



CLAROID PHARMACEUTICALS LIMITED
(Formerly Known As: Claroid Pharmaceuticals Private Limited)
CIN: U24304GJ2018PLC103796

Registered Office:

S.No-217/P, Opp Gurukul English School,
Kamod-Pirana Road, Pirana,
Ahmedabad, Daskroi, Gujarat, India, 382425

Email: md.claroidpharma@gmail.com

CLAROID PHARMACEUTICALS LIMITED
VIGIL MECHANISM /WHISTLE BLOWER POLICY



1. PREFACE:

As per Section 177(9) of the Companies Act, 2013 (“the Act”) and The Companies (Meetings of Board and its Powers) Rules, 2014, following classes of the Company (ies):

- Listed Company;
- The Companies which accept deposits from the public;
- The Companies which have borrowed money from Bank and Public Financial Institutions in excess of Rs. 50 Crore (Rupees Fifty Crore).

Claroid Pharmaceuticals Limited believes in conducting its business in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The organization is committed to comply with the laws and regulations to which it is subject. For this, it has put in place systems, policies and processes to interpret and apply these laws and regulations in the organizational environment. These would help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization. The organization’s internal controls & operating procedures are intended to detect and prevent improper activities. However, even the best of systems and controls cannot provide absolute safeguards against irregularities, Intentional and unintentional violations of the organization’s policies could occur. Therefore, it is proposed to set up a whistle blower Policy/Vigil Mechanism (hereinafter called the Policy). Through this policy, the organization is providing a window through which any irregularities may be brought to light by the Employees/Directors. The information provided would be useful in making its processes and systems more robust, and sustainable.

Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) between Listed Companies and the Stock Exchanges, inter alia also provides a mandatory requirement for all Listed Companies to devise an effective Whistle Blower Mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision(s) for direct access to the Chairman of the Audit Committee or the any Director nominated to play the role of Audit Committee, as the case may be in appropriate or exceptional cases.

Regulation 9A (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015 (“Insider Trading Regulations”) requires that every listed company establishes a Whistle Blower Policy for the purposes of reporting instances of leak of unpublished price sensitive information.

The Company has adopted a Code of Conduct (“the Code”) for Directors and Senior Management, which lays down the principles and standards that should govern the actions of the Company and its Employees.

In view of the above, Claroid Pharmaceuticals Limited, being Proposed to be Listed Company proposes to establish a Vigil Mechanism and to formulate a Whistle Blower Policy.

2. OBJECTIVE OF POLICY

The purpose and objective of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company.



To maintain the standards and objectives mentioned above, the Company encourages its Directors and Employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the Employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or Policy or leak of unpublished price sensitive information pertaining to the Company. The mechanism provides for adequate safeguards against victimization of Employees and Directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

This policy, however, neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and or colleagues in general.

3. SCOPE OF POLICY

This Policy covers malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, leak of unpublished price sensitive information, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers. This Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the Company.

4. DEFINITIONS:

“Alleged wrongful conduct” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, leak of unpublished price sensitive information as defined under the Insider Trading Regulations, substantial and specific danger to public health and safety or abuse of authority”.

“Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance with guidelines of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Companies Act, 2013. “

“Board” means the Board of Directors of the Company.

“Company” means the Claroid Pharmaceuticals Limited Limited and all its offices.

“Code” means Code of Conduct for Directors and Senior Management adopted by the Company.

“Employee” means all the present Employees and Directors of the Company.

“Protected Disclosure” means any communication in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“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.

“Unpublished Price Sensitive Information” means any information, relating to a 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:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. Changes in key managerial personnel.

“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

5. REPORTING OF PROTECTED DISCLOSURES:

All Employees of the Company are eligible to make protected disclosures under the policy in relation to matters concerning the Company. The Company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing. This Policy ensures that employees are empowered to pro-actively bring to light such instances without fear of reprisal, discrimination or adverse employment consequences.

This Policy is not, however, intended to question financial or business decisions taken by the Company that are not Protected Disclosures nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. This policy shall not be used:

- i. For raising grievances related to employees’ own career / other personal grievances.
- ii. For raising grievances related to career of other employees / colleagues.
- iii. Grievances arising out of the policies / procedures of the Company and any decision taken by the superior / management in this respect.
- iv. Grievances related to such other similar issues like (i), (ii) and (iii) hereinabove.

All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised.

Employees can lodge a Protected Disclosure in one of the following ways:

- I. By sending an email to Managing Director with the subject “Protected Disclosure under the Whistle Blower Policy”.
- II. By sending letter in a closed and secured envelop and super scribed as “Protected Disclosure under the Whistle Blower Policy” to the Managing Director (as notified from time to time). Letter should either be typed or written in a legible handwriting in English or Hindi or Gujarati.

All Protected Disclosures should be addressed to the Management of the Company or to the Chairman of the Audit Committee in exceptional cases.

In order to protect identity of the complainant, the Management will not issue any acknowledgement to the complainants and they are advised not to write their name / address on the envelope nor enter into any



further correspondence with the Management. The Management shall assure that in case any further clarification is required he will get in touch with the complainant.

Anonymous disclosure shall not be entertained by the Management. While this Policy is intended to protect genuine Whistle Blowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is strictly prohibited. An employee who makes complaints with mala fide intentions and which is subsequently found to be false will be subject to strict disciplinary action.

The Whistle blower's role is that of a reporting party. Whistle blowers are not investigators or finders of facts; neither can they determine the appropriate corrective or remedial action that may be warranted.

All Protected Disclosures should be addressed to the Management of the Company or to the Chairman of the Audit Committee in exceptional cases.

Although a Whistle blower is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information in order to enable the Company to effectively evaluate and investigate the complaint. It is difficult for the Company to proceed with an investigation on a complaint, which does not contain all the critical information such as the specific charge. The complaint or disclosure must therefore provide as much detail and be as specific as possible in order to facilitate the investigation.

To the extent possible, the complaint or disclosure must include the following:

1. The employee, and/or outside party or parties involved;
2. The sector of the Company where it happened (Location, Department, office);
3. When did it happen: a date or a period or time;
4. Type of concern (what happened);
 - a) Financial reporting;
 - b) Legal matter;
 - c) Management action;
 - d) Employee misconduct; and/or
 - e) Health & safety and environmental issues.
5. Submit proof or identify where proof can be found, if possible;
6. Who to contact for more information, if possible; and/or
7. Prior efforts to address the problem, if any.

6. PROCEDURE:

- a. The Executive Chairman can be approached for reporting/voicing any non-financial/accounting violations.
- b. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.



- c. In respect of all other Protected Disclosures, those concerning the Executive Chairman should be addressed to the Chairman of the Audit Committee of the Company.
- d. If any executive of the Company other than Chairman of Audit Committee or the Executive Chairman receives a Protected Disclosure, the same should be forwarded to the Chairman of the Audit Committee or the Executive Chairman for further appropriate action. Care must be taken to keep the identity of the whistle blower confidential.
- e. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed out or written in a legible handwriting in English, Hindi, regional language of the Whistle Blower's place of employment
- f. The Protected Disclosure should be forwarded under a covering letter (as per annexure) and in a sealed cover, which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee/ Executive Chairman, as the case may be shall detach the covering letter and forward only the protected Disclosure to the investigators for investigation.
- g. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- h. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity only in the covering letter accompanying the Protected Disclosure.

7. PROCESSING THE INFORMATION RECEIVED FROM WHISTLE BLOWERS- INVESTIGATION:

- The Executive Chairman would identify issues from among the alarm raised by whistle blowers that can be diverted to some other existing channels. E.g. Prohibition of Sexual Harassment committee.
- All the issues raised by Whistleblowers shall be looked into at the Audit Committee meetings.
- The Secretarial & Legal Department as per instructions of the Audit Committee shall provide a feedback to the Whistle blower on what has happened on the issue raised by him/her.

8. PROTECTION FOR WHISTLEBLOWERS:

- The Audit Committee / Executive Chairman are responsible to ensure that the identity of the Whistle Blower is kept strictly confidential. However, in situations where the information provided may lead to uncovering some major issues, which are legal/ criminal in nature the informer's identity may have to be produced before the Police Authorities or in a Court of Law. In such cases, the above are responsible for ensuring that the identity of the whistleblower/s are produced only to the relevant authorities and to no-one else.
- No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore be given to Whistle Blowers against any unfair practices like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the whistle Blower is required to give evidence in criminal or disciplinary



proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- Whistle blowers are encouraged to immediately report any acts of retribution that have happened to them, due to the fact that they had made a disclosure of information.
- A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee/ Executive Chairman, who shall investigate into the same and recommend suitable action to the management. This would be registered as a Concern and investigated and acted upon accordingly.
- Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. DECISION:

If an investigation leads the Executive Chairman/Chairman of the Audit Committee/ to conclude that an improper or unethical act has been committed, the Executive Chairman/Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective actions as they 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. REPORTING:

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

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 for a minimum period of seven years.

12. COMMUNICATION OF THE POLICY:

The Secretarial & Legal Department would communicate the policy across the organization, to ensure that all concerned, understand the intent & modus operandi of this policy.

13. AMENDMENT:

- The Audit Committee would review the policy and update it once in two years, or as and when a new development occurs which needs a change in the policy, whichever is sooner.
- Any policy update or renewal would be communicated to all the person to whom this policy is applicable.
