



PANACEA BIOTEC LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Approved by: Board of Directors
Date of Approval: August 31, 2007

Effective Date:
September 1, 2007

VERSION: 1.4

(Effective from 01.04.2019)

Summary of Versions

<u>Version</u>	<u>Approved by</u>	<u>Date of Approval</u>	<u>Effective Date</u>
1.1	Board of Directors	31.08.2007	01.09.2007
1.2	Board of Directors	30.05.2014	01.10.2014
1.3	Board of Directors	11.11.2016	12.11.2016
1.4	Board of Directors	31.03.2019	01.04.2019

INDEX

S. NO.	TOPIC	PAGE NO.
1.	Preface	3
2.	Policy	4
3.	Objectives	5
4.	Scope	5
5.	Definitions	6
6.	Eligibility	7
7.	Safeguards	7
8.	Process / Sequential Flow	8
9.	Reporting By Vigilance & Ethics Officer	10
10.	Communication with Complainant	10
11.	Time frame for Protected Disclosure and Redressal	11
12.	Reward to Complainant	11
13.	Responsibilities	11
14.	Notification	13
15.	Power to amend	14
16.	Annexure I - Contact details of Vigilance & Ethics Officer, Chairman and other Members of the Audit Committee	15
17.	Annexure II - Form for Protected Disclosure by Complainant	17
18.	Annexure III - Format for Acknowledgement of Protected Disclosure	18
19.	Annexure IV - Format for Quarterly Reports by Vigilance & Ethics Officer	19

PANACEA BIOTEC LIMITED
VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. Preface:

As required pursuant to Corporate Governance Guidelines and for early detection of any kind of irregularity, fraud, cheating, exploitation, humiliation, etc., Panacea Biotec Limited (hereinafter referred to as “the Company”) has adopted a Whistle Blower Policy effective from 1st September, 2007 with a view to:

- (i) provide employees an avenue to raise serious and sensitive concerns regarding any unethical behaviour or suspected unethical and improper practices or wrongful conduct which employees in good faith believe to exist; and
- (ii) provide necessary safeguards for protection of such employees from reprisals or victimization.

The Company has also adopted a Code of Conduct (“the Code”) for the Directors and Senior Management Personnel (as defined in the Code), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

The Companies Act, 2013 has also mandated that every listed Company or such class or classes of companies, as may be prescribed under Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall establish a Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct.

The amended Clause 49 of the Listing Agreement with Stock Exchanges also, inter alia, contained requirement for establishment of Vigil Mechanism termed ‘Whistle Blower Policy’ for the directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company’s Code of Conduct.

Accordingly, in terms of Section 177(9) of the Companies Act, 2013 and Revised Clause 49 of the Listing Agreement, the Board of Directors of the Company had, in its meeting held on 30th May, 2014, approved the revised Policy after incorporating necessary changes, applicable w.e.f. 01.10.2014.

SEBI has come out with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI LODR Regulations”) which inter-alia, provides for all listed companies to formulate a Vigil Mechanism for Directors and Employees to report genuine concerns. The Vigil Mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

Accordingly, in terms of Regulation 22 of the SEBI LODR Regulations, the Board of Directors of the Company had, in its meeting held on 11.11.2016, approved this amended Policy after incorporating necessary changes in the existing policy, to be named as Vigil Mechanism/ Whistle Blower Policy applicable w.e.f. 12.11.2016.

SEBI has recently amended the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (“SEBI PIT Regulations”) which inter-alia, provides that all listed companies shall have a whistle-blower policy and make its employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

Accordingly, in terms of Regulation 9A of the SEBI PIT Regulations, the Board of Directors of the Company had approved this amended Policy after incorporating necessary changes in the existing policy, to be named as Vigil Mechanism/ Whistle Blower Policy applicable w.e.f. 01.04.2019.

2. Policy:

This Policy shall be called Vigil Mechanism/Whistle Blower Policy of Panacea Biotech Limited w.e.f. 1st September, 2007 and shall be applicable on the Directors and all the employees of the Company. However, the amendments made in this Policy from time to time shall be deemed to be applicable effective from the respective dates of applicability mentioned in this Policy.

3. Objectives:

The Objectives of this Policy include the following:

- i) To provide employees and directors an avenue to report genuine, serious & sensitive concerns or grievances about unethical behavior, actual or suspected fraud or instances of leak of unpublished price sensitive information of the Company or violation of the company's Code of Conduct or Ethics Policy, in line with Panacea Biotec's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication; and
- ii) To provide necessary safeguards against victimisation of such employees and directors who avail of the Vigil Mechanism in good faith.

4. Scope:

The Policy intends to cover the following serious and sensitive or suspected unethical and improper practices or wrongful conduct, connected with the Company or its subsidiary companies, which employees/directors in good faith believes to exist:

- a) Unethical behavior;
- b) Actual or suspected fraud;
- c) Activities violating policies including Code of Conduct of the Company;
- d) Manipulation of Company data/ records;
- e) A substantial and specific danger to public health, environment and safety;
- f) An abuse of authority;
- g) Leaking confidential or proprietary information;
- h) Violation of any law or regulation;
- i) Gross wastage or misappropriation of Company's funds/assets; and
- j) Leak of unpublished price sensitive information of the Company.

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

5. Definitions:

- a) **“Alleged wrongful conduct”** means violation of law, infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- b) **“Audit Committee”** means a Committee of the Board of Directors of the Company, by whatever name called, constituted in accordance with provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI LODR Regulations.
- c) **“Actual or suspected fraud”** means fraud of any kind including abuse of authority for personal gains or causing substantial loss to the Company, stealing information /proprietary knowledge, behaviour which pollutes the atmosphere of the Company in a way that people are not able to perform to the best of their ability, etc.
- d) **“Board”** means Board of Directors of the Company.
- e) **“Complainant” or “Whistle Blower”** is an employee/director or group of employees/directors of the Company who make a Protected Disclosure under this Policy.
- f) **“Company”** means Panacea Biotec Limited.
- g) **“Code”** means Code of Conduct for Directors/Senior Management and other Employees adopted by Panacea Biotec Limited.
- h) **“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.
- i) **“Investigation Committee”** refers to the Committee formed from time to time by the Vigilance & Ethics Officer for the purpose of investigation on case to case basis. This Committee shall comprise of two or more persons nominated by the Vigilance & Ethics Officer at his/her discretion.

- j) **“Management”** shall include the Chairman, Managing Director, Joint Managing Directors and Whole-time Directors of the Company.
- k) **“Protected Disclosure”** means a genuine, serious and sensitive concern reported by an employee/director of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity covered under the title **“SCOPE OF THE POLICY”** with respect to the Company.
- l) **“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.
- m) **“Unpublished Price Sensitive Information” / “UPSI”** 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, delisting, disposals and expansion of business and such other transactions; and
 - v. Changes in key managerial personnel.
- n) **“Vigilance & Ethics Officer”** means an officer appointed to receive Protected Disclosures from Complainants, maintaining records thereof, placing the same before the Management for its disposal, reporting to the Audit Committee and informing the Complainant the result thereof.

6. **Eligibility:**

All the Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

7. **Safeguards:**

a) **Harassment or Victimization:**

Harassment or victimization of the Complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.

b) Confidentiality:

Every effort will be made to protect the complainant's identity, subject to legal constraints. Similarly the Complainant, the Vigilance & Ethics Officer and the Members of Investigation Committee are bound to maintain the confidentiality of the Complaint, the process and the outcome in order to maintain the sanctity of the system.

c) Anonymous Allegation:

Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns/ Complaints reported anonymously WILL NOT BE usually investigated BUT subject to the seriousness of the issue raised the Vigilance & Ethics Officer can initiate an investigation independently.

d) Malicious Allegations:

Malicious allegations may result in disciplinary action.

8. Process / Sequential Flow:

8.1 Reporting

- (i) The vigil mechanism process is intended to be used for serious and sensitive issues. Protected Disclosure should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- (ii) Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the concerned Vigilance & Ethics Officer. Protected Disclosure against the Vigilance & Ethics Officer should be addressed to the Chairman of the Audit Committee. The Protected Disclosure against the Chairman of the Audit Committee should be addressed to the other Members of the Audit Committee. The Protected Disclosure against any other Member of the Board should be addressed to the Chairman of the Audit Committee.
- (iii) Annexure I provide the necessary contact details of the Vigilance & Ethics Officer, Chairman and other Members of the Audit Committee. The Protected Disclosure should be reported in the format attached as Annexure II and sent to the concerned person through e-mail or by post/ courier.

- (iv) The Vigilance & Ethics Officer, Chairman and other Members of the Audit Committee, as the case may be, shall send an acknowledgement receipt of such Protected Disclosure, to the Complainant within 24 hours in the format attached herein as Annexure III.
- (v) Any Protected Disclosure received, in relation to the leak of UPSI, by the Vigilance & Ethics Officer, Chairman and other Members of the Audit Committee, as the case may be, shall be dealt with as per the process outlined in the Code of Conduct for Prevention of Insider Trading adopted by the Company.

8.2 Investigation

- (i) All Protected Disclosures received will be recorded and looked into by the concerned Vigilance & Ethics Officer. If initial enquiries made by the Vigilance & Ethics Officer indicate that the Protected Disclosure has no basis, or it is not a matter to be pursued under this Policy, it may be dismissed at this stage or sent to the concerned functional head with the decision documented alongwith the justification for arriving at such decision. In such cases, the Vigilance & Ethics Officer will also give a proper feedback to the Complainant, explaining the reasons of dismissal / sending to concerned functional head. The Vigilance & Ethics Officer has to take all these steps within a period of 2 working days from the date of receipt of the Protected Disclosure.
- (ii) In case the Protected Disclosure is referred to the functional head, he will address the same within a period of 15 days from the date of reference to him and report to the Vigilance & Ethics Officer the measures taken to resolve the issue. In case the Vigilance & Ethics Officer is not satisfied with handling of Complaint by functional head, he/she may take up the Protected Disclosure for further investigation.
- (iii) Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Vigilance & Ethics Officer alone or by the Investigation Committee. In case the Vigilance & Ethics Officer decides to get the investigation carried out by an Investigation Committee, he shall form the Investigation Committee in consultation with the Management, within a period of 2 working days of arriving at such decision.

- (iv) The investigation would be conducted in a fair manner, as a neutral fact finding process and without presumption of guilt. A written report of the findings would be made within 30 days of commencement of investigation. However, in exceptional cases, the Vigilance & Ethics Officer may allow a further period of 10 days for submission of report by the Investigation Committee.

8.3 Investigation Result

Based on thorough examination of the findings, Vigilance & Ethics Officer would recommend an appropriate course of action to the Management of the Company, within 7 days of completion of investigation or receipt of report, as the case may be, but in any case not later than 60 days from the date of receipt of Complaint.

8.4 Final Decision

Based on the findings of the investigation and the recommendations made by the Vigilance & Ethics Officer, the Management will finally decide upon the course of action to be taken within 7 days of receiving the recommendation and communicate the same to the Vigilance & Ethics Officer.

8.5 Communication of Decision

Final decision will be communicated by the Vigilance & Ethics Officer to all the concerned persons and the same shall be documented, within 2 working days of getting the communication from the Management.

9. Reporting By Vigilance & Ethics Officer:

- (i) The Vigilance & Ethics Officer will provide quarterly reports to the Management with a copy to the Head – HR and the Company Secretary as per format at Annexure IV. The report made by the Vigilance & Ethics Officer will not disclose the name of the Complainant.
- (ii) The Company Secretary will place the report before the Audit Committee.

10. Communication with Complainant:

The amount of contact between the complainant and the Vigilance & Ethics Officer and/or Investigation Committee investigating the Complaint will depend on the nature of the issue and the clarity of information provided. Further information may be sought from him / her. Subject to legal constraints, he/she will receive information about the outcome of any investigations.

11. Time frame for Protected Disclosure and Redressal:

The Complainant shall report to the Vigilance & Ethics Officer about the problem at the earliest possible but not later than 60 days of his/her becoming aware of the same. In order to facilitate the speedy redressal of Complaints, appropriate action will be sought within 90 days of reporting. However, in cases where extensive investigation is required, time lines can be extended to such further period as may be deemed appropriate by the Vigilance & Ethics Officer after recording reasons in writing.

12. Reward to Complainant:

In case the investigation result reveals that the Protected Disclosure was genuine, the Management may in its own discretion, reward the Complainant by way of incentive in cash or kind and in case the Protected Disclosure was found to be not genuine, the disciplinary action can be taken by the Management against the Complainant. However, in order to maintain confidentiality of the Complainant to the extent possible, the causal relationship of reward shall not be disclosed.

13. Responsibilities:

a) Employees

1. Bring to early attention of the Company any improper practice they become aware of, which is of serious and sensitive nature. Although they are not required to provide proof, they must have sufficient cause for concern and provide fullest information in order to arrive at the speedy and proper decision.
2. Avoid anonymity when raising a concern.
3. Co-operate with investigating authorities, maintaining full confidentiality.

4. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegation may attract disciplinary action.
5. A complainant has the right to protection from retaliation. But this does not extend to immunity for his/her involvement in the matters that are the subject of the allegations and investigation.
6. In exceptional cases, where any one is not satisfied with the outcome of the investigation carried out by the Vigilance & Ethics Officer/investigation Committee, he/she can make a direct appeal in writing to the Chairman of the Audit Committee within 30 days of the communication of the outcome of the complaint.

b) Vigilance & Ethics Officer

1. Ensure that the Policy is being implemented effectively.
2. Acknowledge receipt of the Protected Disclosure to the Complainant, thanking him/her for initiative taken in upholding the Company's business conduct standards.
3. Ascertain prima facie the credibility of the Protected Disclosure. If initial enquiry indicates further investigation is not required, close the issue after recording the reasons of such decision in writing and in case the issue needs to be addressed by functional head, refer the same to him and ensure its redressal within stipulated time frame.
4. Document the initial enquiry and outcome with justification thereof.
5. Where further investigation is indicated, carry this through by appointing an Investigation Committee, if necessary, within a period of 2 working days of arriving at such decision.
6. Ensure that necessary safeguards are provided to the Complainant.
7. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
8. Minute Investigation Committee deliberations and document the final report.
9. Recommend an appropriate course of action to the Management – suggested disciplinary action, including dismissal and preventive measure.
10. Communicate the Management's decision on his recommendation to all concerned.
11. Provide quarterly reports of the Complaints received and status thereof to the Management of the Company with a copy to Head – HR and the Company Secretary, in the format as per Annexure III.

c) Investigation Committee

1. Conduct the enquiry in a fair & unbiased manner.
2. Ensure complete fact finding.
3. Maintain strict confidentiality.

d) Management

1. Discuss the Vigilance & Ethics Officer's recommendation and decide the action thereon.
2. Ensure necessary action on recommendations of Vigilance & Ethics Officer.

e) Investigation Subject

The investigation subject being the person / group of persons who is the focus of the enquiry / investigation shall:

1. Provide full co-operation to the investigation team.
2. Be informed of the outcome of the investigation.
3. Accept the decision of the Management taken on the basis of the investigation made by the Vigilance & Ethics Officer and/or Investigation Committee.
4. Maintain strict confidentiality.

f) Audit Committee

To oversee the functioning of the Vigil Mechanism/Whistle Blower Policy on quarterly/annual basis. The Complainant shall have direct access to the Audit Committee or a director nominated by the Chairman of the Audit Committee in exceptional cases.

14. Notification:

- (i) The Head-Human Resources/DGM-Human Resources of the Company shall notify and communicate the existence and content of this Policy to all the employees of the company and shall submit a certificate duly signed by him to the Audit Committee that this Policy was notified to each employee of the Company.

- (ii) The new employees shall be informed about this Policy by the human resource department and a statement in this regard should be periodically submitted to the Vigilance & Ethics Officer.

15. Power to Amend

The Board of Directors may, on the recommendation of the Audit Committee, review and amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing or through share portal of the Company.

For and on behalf of Board

Sd/-

**Mr. Soshil Kumar Jain
Chairman**

Place: New Delhi

Date: 31.03.2019

CONTACT DETAILS

Annexure - I

1. Vigilance & Ethics Officer

A) For Male Employees Only	
Name:	Mr. Nitin Malhotra, DGM - Human Resources
Address:	Panacea Biotec Ltd. B-1 Extn. /G-3, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi - 110 044, India
Phone:	+91-11-4167 8000, Extn.: 1202
Fax:	+91-11-2694 0199
Email:	nitinmalhotra@panaceabiotec.com
B) For Female Employees Only	
Name:	Ms. Navita Khanna, Vice President - Institutional Business
Address:	Panacea Biotec Ltd. B-1 Extn./A-27, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi - 110 044, India
Phone:	+91-11-4167 8000, Extn.: 2260
Fax:	+91-11-4167 9054
Email:	navitakhanna@panaceabiotec.com

2. Chairman of the Audit Committee

Name:	Mr. R. L. Narasimhan
Address:	Panacea Biotec Ltd. B-1 Extn. /G-3, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi – 110 044, India
Phone:	+91-11-4167 9000
Fax:	+91-11-4167 9070
Email:	rlnarasimhan@panaceabiotec.com

3. Other Members of the Audit Committee

Name:	Mr. K. M. Lal
Address:	Panacea Biotec Ltd. B-1 Extn. /G-3, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi – 110 044, India
Phone:	+91-11-4167 9000
Fax:	+91-11-4167 9070
Email:	kmlal@panaceabiotec.com
Name:	Mr. N. N. Khamitkar
Address:	Panacea Biotec Ltd. B-1 Extn. /G-3, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi – 110 044, India
Phone:	+91-11-4167 9000
Fax:	+91-11-4167 9070
Email:	nnkhamitkar@panaceabiotec.com

FORM FOR PROTECTED DISLCOSURE BY COMPLAINANT

Name of the Complainant:	
Emp. Code:	
Designation:	
Department:	
Location:	
Date of becoming aware of the concern :	
Name of the person(s), if any, against whom the Protected Disclosure is being made	
Details of the concern :	
Effect of the above stated concern on the Company:	
Any other information :	

I do hereby solemnly affirm and confirm that the above information is true and correct to the best of my knowledge and belief and nothing material has been concealed therefrom. No part of it is false.

Signature

Date:

Place:

ACKNOWLEDGEMENT RECEIPT

To,
Mr./Ms.....
Employee No.:
Location:

Sub: Acknowledgement of Protected Disclosure

Dear Mr. /Ms.

This is in reference to the concern raised by you vide your Protected Disclosure Form dated

We thank you very much for your efforts to bring forward this concern to the attention of the Management through Vigil Mechanism and assure you that all the efforts will be made to address the Complaint while maintaining the confidentiality of your Complaint and identity to the extent possible.

We also expect that you will maintain the full confidentiality at your end unless otherwise required by law.

Thanking You,
Yours truly

For Panacea Biotec Ltd.

Name:
Designation:

Date:
Place:

Annexure - IV

REPORT FOR THE QUARTER ENDED _____

S. No.	Complaint Description	Investigation Subject	Location	Date of Receiving Complaint	Investigation Details	Outcome of Investigation	Recommendation	Status as on date

For Panacea Biotec Limited

Name & Signature of Vigilance & Ethics Officer

Date: