

## **PANACEA BIOTEC LIMITED**

### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

(Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

#### **Preamble**

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to familiarize the independent directors with the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights and responsibilities in the Company, etc. through various programmes or training sessions.

The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report of the Company.

#### **Purpose**

Panacea Biotec Limited ("**Panacea Biotec**" or "**the Company**") believes that the Board should be continuously empowered with knowledge of latest developments affecting the Company & the industry and apart from regular presentations on Company's business strategies, associated risks covering the pharmaceutical industry, updates on relevant statutory changes and judicial pronouncements around industry related laws should regularly be circulated to the directors.

The Company believes that an effective familiarization programme helps the Independent Directors, not only to have greater insight into the Company's business but also contributes effectively in decision making at Board / Committee meetings. In view of the above, certain programme activities are merged with the Board/Committee meetings for the convenience of the Directors. Also, individual programs are conducted separately for them as and when required, by the Company.

#### **Overview of Familiarization Programmes in Panacea Biotec**

This familiarization of Independent Directors is an ongoing process at Panacea Biotec. The Independent Directors are updated regularly about the Company, its business model and operations, business risks, nature of industry in which it operates, the regulatory challenges apart from their roles, rights, responsibilities in the Company, etc. through these familiarization programmes. Majority of the Independent Directors of the Company are associated with the Company for more than 5 years and are well versed with the industry, business operations, policies/ practices of the Company and its subsidiaries.

The details of familiarization programmes are as under:

1. When a new Independent Director joins the Board of Directors of the Company, he/she is provided with a personal orientation with the senior management of the Company. Further, along with the appointment letter, an 'information kit' is provided which includes an overview about the Company and its business, performance of the Company during the last three years, Code of Conduct and various policies of the Company, information about the subsidiaries and joint ventures of the Company, etc. In addition, the director is also provided with the relevant provisions of law in respect of his/their duties, roles, responsibilities, etc. as independent director of the Company.

The detailed plan for the said program covers the following aspects:

- i. Board Overview:
    - Constitution of the Board of Directors, list of Board members.
    - Role of the Board of Directors.
    - Performance Appraisal Mechanism for the Board of Directors.
  - ii. Group Overview:
    - Brief about the subsidiaries/ Joint venture and associate companies.
    - Business each subsidiary/ joint venture/ and associate carries on.
  - iii. Company Overview:
    - Financial performance.
    - Latest audited Annual financial statements & Unaudited Financial Results for immediately preceding quarter(s) during the current financial year.
    - List of plant locations.
2. Detailed information on the business and operations of the Company including the performance outlook for the year, performance of the subsidiaries and joint ventures, important developments in the industry, business risks, etc. is provided to the Directors on quarterly/ annual basis and necessary presentations are also made in the meetings of the Board/ Audit Committee, on the matters which inter-alia covers:
    - Loans, Guarantees, Investments made by the Company
    - Contingent Liabilities
    - Related Party Transactions
    - Issues and findings during internal audit
  3. As and when required the Company conducts sessions for Independent Directors with the help of in-house team or external experts in order to update and familiarize them about their roles, responsibilities, duties, rights, etc.
  4. Further, at various Board and Committees meetings, presentations are made on company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, relevant important statutory changes (including those

related to their rights, duties, roles & responsibilities) and other relevant issues and are also circulated to the Board and Committee members from time to time.

5. The Independent Directors are provided with an opportunity of plant visits during the Annual General Meeting/Extraordinary General Meeting.
6. The Company provides to Independent Directors complete access to the information within the Company and they have freedom to interact with the Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors appointed by the Company in addition to the interaction with the Company's management.
7. Apart from Independent Directors, Non-Executive Directors are also eligible to attend the familiarization programmes.

### **Disclosure**

The details of the familiarization programmes conducted by the Company is uploaded on the Company's website and a web link for the same is regularly being provided by the Company in the Annual Report of the Company.

### **Details of Familiarization programmes/sessions held during FY 2017-18 pursuant to above are as under:**

<b>S. No.</b>	<b>Date of Programme</b>	<b>Independent Directors Present</b>	<b>Programme Duration (hr : min) (approx.)</b>	<b>Area Covered</b>
1.	May 30, 2017	<ul style="list-style-type: none"> <li>• Mr. K. M. Lal</li> <li>• Mrs. Manjula Upadhyay</li> <li>• Mr. Mukul Gupta</li> <li>• Mr. N. N. Khamitkar</li> <li>• Mr. O. P. Kelkar</li> <li>• Mr. R. L. Narasimhan</li> </ul>	05:00	<ul style="list-style-type: none"> <li>• Overview on Foreign Exchange Exposure and risk of exchange movement</li> <li>• Discussion on Product launched during the quarter</li> <li>• Annual and Quarterly Financial review including performance review of Subsidiaries</li> <li>• Annual Operating Plans and Capital Expenditure Budget and Consolidated Budget for the financial year 2017-18</li> <li>• Review of Management Discussion &amp; Analysis Report</li> <li>• Overview of Corporate Governance framework of the Company</li> <li>• Discussion on other significant developments / information</li> </ul>

S. No.	Date of Programme	Independent Directors Present	Programme Duration (hr : min) (approx.)	Area Covered
2.	September 13, 2017	<ul style="list-style-type: none"> <li>• Mr. K. M. Lal</li> <li>• Mrs. Manjula Upadhyay</li> <li>• Mr. Mukul Gupta</li> <li>• Mr. N. N. Khamitkar</li> <li>• Mr. O. P. Kelkar</li> <li>• Mr. R. L. Narasimhan</li> </ul>	03:00	<ul style="list-style-type: none"> <li>• Overview on Foreign Exchange Exposure and risk of exchange movement</li> <li>• Discussion on Products launched during the quarter</li> <li>• Quarterly Financial review</li> <li>• Discussion on other significant developments / information</li> <li>• Regulatory Updates</li> </ul>
3.	November 14, 2017	<ul style="list-style-type: none"> <li>• Mr. K. M. Lal</li> <li>• Mrs. Manjula Upadhyay</li> <li>• Mr. Mukul Gupta</li> <li>• Mr. N. N. Khamitkar</li> <li>• Mr. O. P. Kelkar</li> <li>• Mr. R. L. Narasimhan</li> </ul>	02:00	<ul style="list-style-type: none"> <li>• Overview on Foreign Exchange Exposure and risk of exchange movement</li> <li>• Quarterly Financial review</li> <li>• Discussion on Product launched during the quarter</li> <li>• Discussion on other significant developments / information</li> <li>• Regulatory Updates</li> </ul>
4.	February 13, 2018	<ul style="list-style-type: none"> <li>• Mr. K. M. Lal</li> <li>• Mrs. Manjula Upadhyay</li> <li>• Mr. Mukul Gupta</li> <li>• Mr. O. P. Kelkar</li> <li>• Mr. R. L. Narasimhan</li> </ul>	03:15	<ul style="list-style-type: none"> <li>• Overview on Foreign Exchange Exposure and risk of exchange movement</li> <li>• Discussion on Products launched during the quarter</li> <li>• Quarterly Financial review</li> <li>• Discussion on other significant developments / information including historic collaboration with Serum Institute of India</li> <li>• Regulatory Updates</li> </ul>

**Details of attendance of Independent Directors in Familiarization Programme/Session are as follows:**

S. No.	Name of Independent Director	Programmes during the financial year 2017-18				Cumulative Programmes since April 01, 2015			
		Held		Attended		Held		Attended	
		No.	Duration (hr : min) (approx.)	No.	Duration (hr : min) (approx.)	No.	Duration (hr : min) (approx.)	No.	Duration (hr : min) (approx.)
1.	Mr. K. M. Lal	4	13:15	4	13:15	14	40:30	12	34:30
2.	Mrs. Manjula Upadhyay	4	13:15	4	13:15	14	40:30	13	38:30
3.	Mr. Mukul Gupta <sup>®</sup>	4	13:15	4	13:15	8	25:15	7	20:45
4.	Mr. N. N. Khamitkar	4	13:15	3	10:00	14	40:30	12	34:00
5.	Mr. O. P. Kelkar	4	13:15	4	13:15	14	40:30	11	32:15
6.	Mr. R. L. Narasimhan	4	13:15	4	13:15	14	40:30	14	40:30

<sup>®</sup> Appointed as Director w.e.f. 01.04.2016.