

COMPANY POLICY

 Panacea Biotech <i>Innovation in support of life</i>	VIGIL MECHANISM / WHISTLE BLOWER POLICY	Policy No. - PBL/CP/015 Supersede - PBL/CP/03 Availability - On Sharepoint w.e.f - 01.10.2014
---	--	--

1. Preface:

Panacea Biotech Limited (hereinafter referred to as "the Company") has adopted a Whistle Blower Policy effective from 1st June, 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 now mandated that every listed Company shall establish a Vigil Mechanism/ Whistle Blower policy 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 or Ethics Policy.

The amended Clause 49 of the Listing Agreement with Stock Exchanges also, inter alia, contains 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 or Ethics Policy.

In terms of Section 177(9) of the Companies Act, 2013 and Revised Clause 49 of Listing agreement, the Board of Directors of the Company had, in its meeting held on 30th May, 2014 approved this amended Policy after incorporating necessary changes in the existing policy, to be named as Vigil Mechanism/ Whistle Blower Policy.

2. Policy:

This policy shall be called Vigil Mechanism/Whistle Blower Policy of Panacea Biotec Limited and shall be applicable on the Directors and all permanent employees of the Company.

3. Objectives:

- i) To provide employees and directors an avenue to report genuine serious & sensitive concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy, in line with Panacea Biotec commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.
- 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 information on serious and sensitive or suspected unethical and improper practices or wrongful conduct, which employees/directors in good faith believes to exist:

- a) Unethical behaviour
- 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 funds/assets.

This Policy will be applicable to all the regular employees and directors of the Company.

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 comprising of the Independent Directors constituted by the Board of Directors of the Company in accordance with the provisions of Listing Agreement and Companies Act, 2013. The Committee will review the functioning of the vigil mechanism periodically.

- c) **"Complainant" or "Whistle Blower"** is an employee/director or group of employees/directors of the Company who make a Protected Disclosure under this Policy and also referred in this policy as a Complainant or Whistle Blower.
- d) **"Company"** means the Panacea Biotech Limited and all its offices.
- e) **"Code"** means Code of Conduct for Directors and Senior Management Executives adopted by Panacea Biotech Limited.
- f) **"Investigation Committee"** refer to the Committee formed from time to time by the Referee for the purpose of investigation on case to case basis. This committee shall comprise of two or more persons nominated by the Referee at his discretion.
- g) **"Management"** shall include the Chairman, Managing Director, Joint Managing Directors and Whole-time Directors of the Company.
- h) **"Protected Disclosure"** means a genuine, serious & 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. It 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.
- i) **"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.
- j) **"Referee"** means a Referee appointed to receive Protected Disclosures from Whistle Blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

6. Eligibility:

All 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 Referee 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 reported anonymously WILL NOT BE usually investigated BUT subject to the seriousness of the issue raised the Referee can initiate an investigation independently.

d) Malicious Allegations:

Malicious allegations may result in disciplinary action.

8. Process / Sequential Flow:

Step -1 # Reporting

The whistleblowing process is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the concerned Referee. Annexure I provides the necessary contact details of the Referee for the Complainant.

The Protected Disclosure should be reported in the format attached as Annexure II and sent to the Referee through e-mail or by post/ courier.

The Referee shall send an acknowledgement receipt of the such protected disclosure , to the Whistle Blower within 24 hours in the format attached herein as Annexure III.

Step -2 # Investigation

All Protected Disclosure received will be recorded and looked into by the concerned Referee. If initial enquiries made by the Referee 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 and the decision documented with the justification for arriving at such decision. In such cases, the Referee will also give a proper feedback to the Whistleblower, explaining the reasons of dismissal / sending to concerned functional head. The Referee has to take all these steps within a period of 2 working days from the date of receipt of the protected disclosure.

Further, 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 Referee the measures taken to resolve the issue. In case the Referee is not satisfied with handling of complaint by functional head, he may take up the protected disclosure for further investigation.

Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Referee alone or by the Investigation Committee. In case the Referee decides to get the investigation carried out by an Investigation Committee, he shall form the Committee within 48 hours of arriving at such decision.

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 Referee may allow a further period of 10 days for submission of report by the Committee.

Step – 3 # Investigation Result

Based on thorough examination of the findings, Referee 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.

Step – 4 # Final Decision

Based on the findings of the investigation and the recommendations made by the Referee 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 Referee.

Step – 5 # Communication of Decision

Final decision will be communicated by the Referee to all the concerned and the same shall be documented, within 2 working days of getting the communication from the management.

9. Reporting By Referee:

The Referee will provide quarterly reports to the management with a copy to the Head – HR and the Company Secretary as per format at Annexure III. The Company Secretary will place the report before the Audit Committee.

The report made by the Referee will not disclose the name of the Complainant.

10. Communication with Complainant:

The amount of contact between the complainant and the body investigating the concern 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:

Whistleblower to report to the Referee 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 Referee after recording reasons in writing.

12. Reward to Whistle Blower

In case the investigation result reveals that the Protected Disclosure was genuine, the management may in its own discretion, reward the Whistleblower by way of incentive in cash or kind otherwise disciplinary action can be taken. 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 to the Referee 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 Referee, he / she can make a direct appeal to the Chairman of the Audit Committee within 30 days of the communication of the outcome of the complaint.

b) Referee

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 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 a 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 committee deliberations and document the final report.
9. Recommend an appropriate course of action – 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 Referee's recommendation and decide the action thereon.
2. Ensure necessary action on recommendations of Referee/ Committee.

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 Referee
4. Maintain strict confidentiality

f) Audit Committee

1. To oversee the functioning of the Vigil/Whistle Blower mechanism annually. The Complainant shall have direct access to the Audit Committee or a director nominated to play the role of Audit Committee in exceptional Cases.

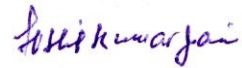
14. Power to Amend

This policy can be changed, modified, rescinded or abrogated at any time by the Board on the recommendation of Audit Committee.

15. List Of Annexure Attached:

Annexure I: Referee Contact Details
Annexure II: Complaint Format
Annexure III: Acknowledgement Receipt
Annexure IV: Format of Report by Referee

Approved By



**Mr. Soshil Kumar Jain
Chairman**

**Annexure I:
Referee Contact Details**

A) For Female Employees Only

Referee: Ms. Navita Khanna, Vice President -Institutional Business

Contact Details:

Address: Panacea Biotec Ltd.

B-1 Extn./A-27, Mohan Co-op. Indl. Estate, Mathura Road,

New Delhi – 110 044, India

Phone: +91-114167 8000, Extn.: 2260

Fax: +91-11-4167 9054

Email: navitakhanna@panaceabiotec.com

A) For Male Employees Only

Referee: Mr. Nitin Malhotra, AGM -Human Resources

Contact Details:

Address: Panacea Biotec Ltd.

B-1 Extn. /G-3, Mohan Co-op. Indl. Estate, Mathura Road,

New Delhi – 110 044, India

Phone: +91-114167 8000, Extn.: 1202

Fax: +91-11-2694 0199

Email: nitinmalhotra@panaceabiotec.com

Annexure – II
FORM FOR PROTECTED DISLCOSURE BY WHISTLE BLOWER

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

I do hereby solemnly affirm and confirm that the above information is true to the best of my knowledge and belief.

Signature

Date:

Place:

Annexure III
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 Disclosure Form dated
.....

We thank you very much for your efforts to bring forward this issue to the attention of the management through Vigil/Whistleblower 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.	Problem Description	Investigation Subject	Location	Date of Receiving the Complaint	Investigation Details	Outcome of Investigation	Recommendation	Status as on date

For Panacea Biotech Limited

Name of Referee

Date: