

POLICY DOCUMENTS ON VIGIL MECHANISM / WHISTLE BLOWER POLICY



BIODEAL PHARMACEUTICALS LIMITED

(formerly known as Biodeal Pharmaceuticals Private Limited)

(Published on January 31, 2023)

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PREFACE:

The company has established a Whistle Blower Policy / Vigil Mechanism for directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company had adopted a Code of Conduct for Directors and Senior Management Executives ("the Code") which lays down the principles and standards to which their actions must conform. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be brought to the attention of the concerned authority.

The Vigil Mechanism / Whistle Blower policy is for elimination of malpractices in the system. This policy encourages all the employees, officers, consultants to come out with their complaints regarding any kind of misuse of Company's properties, mismanagement or wrongful conduct prevailing in the Company, if any.

The information or suspected wrongful conduct is such information which the employee in good faith believes evidences

- Violation of a Law or Regulation by the Company.
- Financial Malpractices
- A danger to public health or safety

POLICY OBJECTIVES:

- To encourage the employees to report to the management about actual or suspected unethical behaviors, malpractices, wrongful conduct, fraud violation of the company's policy including the Code, violation of law or questionable accounting or auditing matters by any employees / Director in the Company without any fear of retaliation. However disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower shall not be protected under this policy.
- To build and strengthen a culture of fairness and transparency by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- To encourage disclosure of alleged wrongful conduct to the team members of the whistle blower policy.
- To provide a framework to promote responsible and secure whistle blowing.
- To protect employees, customers and/or third-party intermediaries wishing to raise a concern about serious irregularities within the Company.

DEFINITIONS:

- **“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.
- **“Code”** means Code of Conduct for Directors and Senior Management Executive adopted by Biodeal Pharmaceuticals Ltd.
- **“Company”** means Biodeal Pharmaceuticals Limited.
- **“Employee”** means all the present and future employees, consultants and directors in the employment of the Company.
- **“Improper Activity”** means unethical behaviour, actual or suspected fraud or violation of the company’s general guidelines by an Employee.
- **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or Improper Activity. Protected Disclosure should be factual and not speculative in nature.
- **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- **“Whistle Blower”** means an Employee making Protected Disclosure under this Policy.
- **“Whistle and Ethics Officer”** means an officer of the Company nominated by Competent Authority to conduct detailed investigation under this policy and to receive protected disclosure from Whistle Blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

SCOPE:

- The Whistle Blower’s Role is that of a reporting party, with reliable information. He/ she is not required or expected to act as an investigator or finder of facts. He/ she cannot determine corrective actions either. The Whistle Blower does not have to obtain evidence in order to support his/ her information. His/ her role is simply to “Raise the Alarm”.
- The information or suspected wrongful conduct should be such information which the Employee in good faith, believes or evidences any of the following:
 - Violation of any law or regulations, including but not limited to corruption, bribery, theft, fraud, coercion and willful omission.
 - Pass back of Commission / benefit or conflict of interest.
 - Procurement frauds.
 - Mismanagement, Gross wastage or misappropriation of company funds / assets.

- Manipulation of Company data / records.
- Stealing cash / company assets; leaking confidential or proprietary information.
- Unofficial use of Company's material / human assets.
- Activities violating Company policies including Code of Ethics and Conduct.
- A substantial and specific danger to public health and safety.
- An abuse of authority.
- Breach of Contract
- Criminal Offence
- An act of discrimination

The above list is only illustrative and should not be considered as exhaustive.

ELIGIBILITY:

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

DISQUALIFICATION:

While this Policy is intended to protect genuine Whistleblowers 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 which are subsequently found to be false will be subject to strict disciplinary action.

GUIDING PRINCIPLES:

- Protected Disclosures should be acted upon in a time bound manner.
- The Whistle Blower and/or the person(s) processing the Protected Disclosure will not be subjected to victimization.
- Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- "Subject" of the Protected Disclosure i.e Employee against or in relation to whom a Protected Disclosure has been made will be provide an opportunity of being heard.
- The Whistle Blower Policy does not in any manner tantamount to the dilution of the vigilance mechanism of the Company. It is over and above the existing vigilance mechanism.

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

- All Protected Disclosures should be reported in writing by the Employee as soon as possible but not later than 30 days after he / she becomes aware of the same so as to ensure a timely and clear understanding of the issues raised and should either be typed or written in a legible handwriting in English / Hindi.
- Protected Disclosure must provide a clear understanding of the Improper Activity involved or the issue / concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to facilitate a preliminary review and proper assessment.

- Protected Disclosures should be submitted in a closed and secured envelop which must be super scribed as “Protected Disclosure”. Alternatively, the same can also be sent through email.
- All the Protected Disclosures should be addressed to the Whistle and Ethics Officer of the Company. However, if no response is forthcoming on the complaint, then the disclosures / complaints can be addressed to the Managing Director of the Company.
- Protected Disclosure against Whistle and Ethics Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director or any other director of the Company should be addressed to the Chairman of the Audit Committee.

INVESTIGATION:

- All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle and Ethics Officer / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- The Audit Committee may investigate and may at its discretion consider involving any other officer of the Company and/ or an outside agency for the purpose of investigation.
- The decision to conduct an investigation taken by the Whistle and Ethics Officer / Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- Subject(s) shall have a duty to co-operate with the Audit Committee or any of the officers appointed by it in this regard.
- The identity of a Subject(s) and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- Subject(s) shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings
- Subject(s) shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- Subject(s) have a right to be informed of the outcome of the investigations.
- The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

DECISION:

If an investigation leads the Whistle and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Whistle and Ethics Officer / Chairman of the Audit Committee may 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. If the Whistle and Ethics Officer / Chairman of the Audit Committee of the Company is satisfied that the Protected Disclosure was false, motivated or vexatious, it may report the matter to the concerned disciplinary authority for appropriate action to be taken against the Whistle Blower.

CONFIDENTIALITY & PROTECTION:

- Protected Disclosure of wrongful conduct may be submitted on a confidential basis or may be submitted anonymously. Such disclosures will be kept confidential to the extent possible, convenient with the need to conduct an adequate investigation.
- The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he/ she himself / herself has made either his / her details public or disclosed his / her identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 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 practice 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.
- Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

GRIEVENACE:

If the Whistle Blower feels aggrieved with the disposition of his or her Protected Disclosure or if the Whistle Blower or the Subject feel that the protection which either of them is entitled to has not been provided or has been disregarded, the Whistle Blower or the Subject as the case maybe may make a representation in writing of his or her grievance to the Chairman of the Company, who will take such action in the matter as he considers necessary to redress the grievance.

If the Whistle Blower or the Subject feel aggrieved with the action taken by the Chairman on the aforementioned representation, he/she may make a representation in writing of his or her grievance to the Chairman of the Audit Committee who shall take or direct action on the representation as he shall deem fit and this decision shall be final and binding on the Whistle Blower and the Subject.

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 period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

ADMINISTRATION AND REVIEW OF THE POLICY:

The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage of with the concurrence the Audit Committee

AMENDMENT:

The Company reserves its right to 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 unless the same is notified to them in writing.