

Balaxi Pharmaceuticals Limited

WHISTLE BLOWER POLICY

Pursuant to Section 177 (9) of the Companies Act, 2013, it is obligatory for listed companies to establish a Vigil Mechanism for Directors and Employees to report genuine concerns in such manner as prescribed vide the Rules framed there under.

Further, Section 177 (10) of the Companies Act, 2013 provides that the Vigil Mechanism under sub-section (9) shall provide for adequate safeguards against victimization of Director(s) or Employee(s) who use such mechanism and make provisions for direct access to the Chairman of Audit Committee in appropriate or exceptional cases.

a. DEFINITIONS

- a. **“Alleged Wrongful Conduct”** means violation of law, infringement of Company’s code of conduct or ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- b. **“Chairman”** means chairman of the Audit Committee.
- c. **“Disciplinary Action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limited 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.
- d. **“Protected Disclosure”** means any communication made in Good Faith that discloses or demonstrates information that may prima facie evidence Unethical or Improper Activity or Alleged Wrongful Conduct, which are not in the best interests of the Company.
- e. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- f. **“Whistle Blower”** means an Employee making a Protected Disclosure under the Policy.

2. THE POLICY

- a. The Whistle Blower’s role is that of a person reporting with reliable information. They are not required or expected to act as finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman.

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- c. Protected Disclosure will be appropriately dealt with by the Chairman, as the case may be.
- d. All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company but not limited to:
 - i. Abuse of authority;
 - ii. Breach of code of conduct or employment contract;
 - iii. Negligence causing substantial and specific danger to public health and safety;
 - iv. Manipulation of the Company's data or records;
 - v. Financial irregularities, including fraud or suspected fraud or deficiencies of internal control and check or deliberate error in preparations of financial statements or misrepresentation of financial reports;
 - vi. Any unlawful act, whether civil or criminal, the latter having repercussions on the Company and its reputation;
 - vii. Pilferage of confidential or proprietary information;
 - viii. Deliberate violation of law or regulations;
 - ix. Wastage or misappropriation of the Company's funds or assets;
 - x. Breach of code of conduct or rules;
 - xi. Any other Unethical, biased, favored, imprudent act or behavior.
- e. Direct access to the Chairman in person will be provided in exceptional circumstances. While Indian law does not define an exceptional circumstance, these circumstances could include:
 - i. Concerns implicating wrong-doing by any executive of the Company;
 - ii. Concerns involving material fraud or misstatement in financial reporting or accounting;
 - iii. Serious criminal violations by any Employee of the Company;
- f. Employees can make Protected Disclosure to the Chairman as soon as possible but not later than thirty days after becoming aware of it.
- g. Whistle Blowers must put their names to allegations as follow - up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will NOT be investigated.
- h. Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Chairman alone or by a committee set up for this purpose. This 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.

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- i. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- j. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- k. Subjects shall have a duty to co-operate with the Chairman, as the case may be, or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- l. The investigation shall be completed normally within forty-five days of the receipt of the Protected Disclosure.
- m. Protection to the Whistle Blower under the Policy will be available provided the following conditions are met with, that is :
 - i. the Protected Disclosure is made in Good Faith;
 - ii. the Whistle Blower has reasonable information or documents in support thereof;
 - iii. the Protected Disclosure is not made for any personal gain or animosity against the Subject.
- n. While it will be ensured that, genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant Disciplinary Action.
- o. Protection under this Policy shall not mean protection from Disciplinary Action arising out of false or bogus allegations made by a Whistle Blower or any allegation with a mala fide intention.
- p. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in Good Faith, will be disqualified from reporting further Protected Disclosures under the Policy. In respect of such Whistle Blowers, the Company would reserve its right to take or recommend appropriate Disciplinary Action.
- q. If an investigation leads the Chairman, as the case may be, to conclude that an Unethical or Improper Activity has been committed, the Chairman, as the case may be, will recommend to the management of the Company to take such disciplinary or corrective action as the, as the case may be, deems 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 would adhere to the applicable personnel or staff conduct and disciplinary procedures.
- r. The details of establishment of the Whistle Blower Mechanism will be disclosed on the website of the Company and in the Board's report.