

LUX INDUSTRIES LIMITED

WHISTLE BLOWER POLICY

1. Preface

- The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- Section-177 (9) Companies Act, 2013 prescribes the establishment of ‘**Vigil Mechanism**’ by all listed companies.
- SEBI vide its Board Meeting Dated 13.02.2014, has made it mandatory for all listed companies to establish a mechanism called “**Whistle Blower Policy**” for employees to report to the management, instances of unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy *w.e.f.* 01.10.2014.
- Since both Whistle Blower Policy and Vigil Mechanism aim at achieving the same end, the company has adopted the Whistle Blower Policy which will serve the purpose of both the policies / mechanisms.
- The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
- The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

2. Policy

No adverse action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This policy protects such employees from unfair termination and unfair prejudicial employment practices. However, this policy does not protect an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this

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3. Definitions

“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.

“Employee” means every permanent employee on the roll of the Company

“Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Whistle Blower” is someone who makes a Protected Disclosure under this Policy.

“Whistle Officer” or “Committee” means an officer or Committee of persons who is nominated / appointed to conduct detailed investigation.

“Ombudsperson” will be the Chairman, Audit Committee for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

4. The Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- Ensure complete confidentiality.
- Not attempt to conceal evidence of the Protected Disclosure;
- Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- Provide an opportunity of being heard to the persons involved especially to the Subject;

5. Coverage of Policy

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud, or suspected fraud
- Criminal offence
- Pilferation of confidential/propriety information

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- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
- Breach of employee Code of Conduct or Rules
- Any other unethical, biased, favoured, imprudent event
- Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.
- An act which does not conform to approved standard of social and professional behaviour
- May lead to incorrect financial reporting
- Are not in line with applicable company policy;

6. Disqualifications

- 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.

- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.

- Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious*, shall be liable to be prosecuted under Company's Code of Conduct.

7. Mechanism for making Protected Disclosures

To provide the Whistle Blower with a proper platform to lodge his / her Protected Disclosures the company will earmark a designated E-mail ID where the Whistle Blower can mail his /her complaint directly to the Ombudsperson. Apart from this a sealed complaint box and a dedicated Phone Number with Voice Mail Facility will also be made available. This apart the Whistle Blower can write directly to the Ombudsperson i.e the Chairman, Audit Committee in a sealed envelope superscribed **“Protected Disclosure” under Whistle Blower Policy** and send to the following address:

The Ombudsperson
Lux Industries Ltd
39 Kali Krishna Tagore Street
5th Floor
Kolkata- 700 007

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8. Manner in which concern can be raised

- ✓ Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same.
- ✓ Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- ✓ If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- ✓ Where initial enquiries indicate that further investigation is necessary, this will be carried through either by a Whistle Officer/Committee nominated by the Ombudsperson for this purpose. 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.
- ✓ Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee.
- ✓ The Whistle Officer / Committee shall:

Make a detailed written record of the Protected Disclosure. The record will include:

- Facts of the matter
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether any Protected Disclosure was raised previously against the same Subject;
- The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
- Findings of Whistle Officer/Committee;
- The recommendations of the Whistle Officer/Committee on disciplinary/other action/(s).
- The Whistle Officer/Committee shall finalise and submit the report to the Ombudsperson within 15 days of being nominated /appointed.

On submission of report, the Whistle Officer /Committee shall discuss the matter with the Ombudsperson who shall if he is satisfied that the complaint is baseless, dismiss it at that stage and in case of an actual irregularity of grave nature will place the report before the Audit committee who shall decide the future course of action and depending on the gravity of the matter recommend the report to the Board for any action against the subject

9. Protection

- 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 Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour 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

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including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- The identity of the Whistle Blower shall be kept confidential.
- Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

10. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Whistle Officer and every one involved in the process shall:

- ✚ maintain complete confidentiality/ secrecy of the matter
- ✚ not discuss the matter in any informal/social gatherings/ meetings
- ✚ discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- ✚ not keep the papers unattended anywhere at any time
- ✚ keep the electronic mails/files under password. If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

11. Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

12. Amendment

Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.