

LUMAX AUTO TECHNOLOGIES LIMITED
VIGIL MECHANISM/WHISTLE BLOWER POLICY

1. PURPOSE

To establish a mechanism for directors and employees to report to the management occurrence of unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The mechanism also provides for adequate safeguards against unfair treatment of employees who wishes to raise a concern and also provides for direct access to the Chairman of the Audit committee in appropriate/ exceptional cases.

Through this policy, the organization is providing a window through which irregularities may be brought to light, by individuals who may be interacting with / observing the organization in the course of their business. The information collected through the mechanism would help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization.

2. SCOPE

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- Every employee on the permanent and temporary rolls of the Company (whether working in India or abroad) including expatriates stationed in India.
- Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
- Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- Customers of the Company
- Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

3. POLICY

The Whistleblower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of 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.

4. DEFINITION

“Audit Committee” means the Audit Committee of the Board constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015.

“Committee” means a Committee of persons who are nominated/ appointed by Competent Authority to conduct detailed investigation.

“Competent Authority” means –

- (i) In relation to employees of the Company except CEO, the CEO;
- (ii) In relation to CEO and Board of Directors, the Chairman;
- (iii) In relation to Chairman, the Audit Committee Chairman.

“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, termination of employment, or any such other action as deemed to be fit considering the gravity of the matter, in accordance with Company rules, policies and procedures.

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

“Whistle Blower” means an individual, who raises a concern about a risk, malpractice or wrongdoing that affects others such as customers, suppliers, other employees and the organization.

5. APPLICABILITY

Section 177(9) of Companies Act, 2013 provides that the following companies shall establish a vigil mechanism for directors and employees to report genuine concerns:

- i) Every listed company;
- ii) Companies which accept deposits from the public; and
- iii) Companies which have borrowed money from banks and public financial institutions in excess of Rs. 50 crs. (Rupees Fifty Crores)

Regulation 18 of the SEBI (LODR) Regulations, 2015 also provides that all listed companies to establish a mechanism called “Whistle Blower Policy” for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or illegal practices or violation of the Company’s code of conduct or ethics policy.

6. GUIDELINES

The company shall follow the below mentioned guidelines to ensure that the Policy is adhered to, and to assure that the concern will be acted upon seriously:

All staff are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain.

Treat victimization as a serious matter including initiating disciplinary action on such person/(s);

Any disclosures will be investigated fully including interviews with all the witnesses and the parties involved. Although whistle blower is not required to provide proof, but he must have sufficient cause for whistle blowing.

The identity of the whistle blower will be protected at all stages of investigation.

While the Company encourages whistle blowers to identify themselves, anonymous calls will nevertheless be taken seriously and investigated fully. However, the effectiveness of any whistle blowing enquiry may be limited where an individual chooses not to be identified.

7. COVERAGE OF POLICY

The Policy covers malpractices/ wrongdoings which have taken place/ suspected to take place including:

Fraud and financial irregularities

deliberate improper business conduct

Misuse of authority

Commission of a crime

Deliberate violation of any legal obligation

Damage to the environment causing danger to public health and safety

Breach of contract

Manipulation of company data / records

Disclosure of confidential / propriety information

Wastage/misappropriation of company funds/assets

Breach of terms of employment

Deliberate concealment of information tending to show one of the above is occurring or likely to occur.

The policy should not be used as a route for deliberately false complaints or complaints motivated by revenge/ enmity/ mischief or extraneous considerations against colleagues.

8. DISQUALIFICATIONS

It will be ensured that no person who has made a disclosure is victimised by initiation of any proceedings or otherwise merely on the ground that such person had made a disclosure or rendered assistance in inquiry, however, any incorrect or false or misleading disclosure shall warrant disciplinary action.

Any person, who negligently or malafidely reveals the identity of a whistle blower shall also 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* intentio.

9. **PROCESS FOR RAISING A CONCERN**

The whistle blowing procedure is intended to be used for serious and sensitive issues. Such concerns, including those relating to financial reporting, unethical or illegal conduct, may be reported directly to the Competent Authority as soon as possible.

Employment related concerns should continue to be reported through the normal channels of reporting as per the structure of organization.

All complaints of alleged wrongful conduct shall be in writing and signed by the Whistleblower and he/she must put his/her name to allegations, which should be addressed to the Competent Authority. Concerns expressed anonymously will also be investigated depending upon the materiality of the alleged wrongful conduct and credibility of supporting evidence/ information provided.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy"

Alternatively, the same can also be sent through email with the subject " Protected disclosure under the Whistle Blower policy ". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.

The Contact details of Competent Authority for addressing and sending the protected disclosures is as follows:

Corporate Head - HR
Competent Authority
Vigil Mechanism
Lumax Auto Technologies Limited
Plot No.-878, Udyog Vihar, Phase-V
Gurugram-122016, Haryana

The earlier a concern is expressed, the easier it is to take action.

Although the employee is not expected to prove the truth of an allegation, the employee should be able to demonstrate to the competent authority that the report is being made in good faith.

Initial inquiries will be made by the Competent Authority to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved without the need for investigation.

If initial inquiries 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.

If the Competent Authority, after preliminary investigation decides that further investigation is necessary, it shall nominate/ appoint a committee for conducting the investigation into the Complaint and where such Investigator is a Service Provider, determine the terms and conditions of appointment.

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 Committee/ Service Provider.

The committee/ Service Provider shall, as far as possible, complete the investigation within 30 (thirty) Business Days of being nominated/ appointed by the Competent Authority.

The committee/ Service Provider shall submit to the Competent Authority, a report of their investigation within 7 (seven) Business Days from the date of completion of the investigation.

The Competent Authority may take following actions after submission of report by the committee/ Service Provider;

- i) Disciplinary action (up to and including dismissal) against the wrongdoer depending on the results of the investigation; or
- ii) Disciplinary action (up to and including dismissal) against the whistleblower if the claim is found to be malicious or otherwise in bad faith; or
- iii) No action if the allegation proves unfounded.

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of the Audit Committee.

Process flow chart of Vigil Mechanism is attached as **Annexure - 1**

10. SECRECY / CONFIDENTIALITY

The Whistle Blower, the Competent Authority, the Committee and everyone involved in the process shall:

- i. Conceal the identity of the Whistle Blower, so long as it does not hinder or frustrate any investigation.
- ii. Consult the whistle blower, if he may need to provide a statement or come forward as a witness as part of the evidence required
- iii. Protect any other employee assisting in the said investigation to the same extent as the Whistle Blower.
- iv. Maintain secrecy of the documents or information furnished by Whistle Blower, for the purposes of enquiry.
- v. Not discuss the matter in any informal/ social gatherings/ meetings
- vi. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- vii. Keep the electronic mails/files under password
- viii. Treat all disclosures in a confidential and sensitive manner.

Any person who wilfully does not comply with the above, he/ she shall be liable for such disciplinary action as is considered fit.

11. PROTECTION TO WHISTLE BLOWER

If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/ her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:

- i) The communication/ disclosure is made in good faith
- ii) He/She reasonably believes that information, and any allegations contained in it, are substantially true; and
- iii) He/She is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

12. ACCOUNTABILITIES – WHISTLEBLOWERS

- Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- Avoid anonymity when raising a concern
- Follow the procedures prescribed in this policy for making a Disclosure
- Co-operate with investigating authorities, maintaining full confidentiality
- The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/she can make a direct appeal to the Chairman of the Audit Committee.

13. ACCOUNTABILITIES – WHISTLE OFFICER AND WHISTLE COMMITTEE

- Conduct the enquiry in a fair, unbiased manner
- Ensure complete fact-finding
- Maintain strict confidentiality

- Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- Minute Committee deliberations and document the final report

14. REPORT

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

15. AMENDMENT

Corporate (HR) shall be the owner of this policy and the Management of the organization shall provide all necessary assistance for the purpose of ensuring full, effective and speedy implementation of this policy.

16. CLARIFICATION

In case of any clarification, any person may contact the Chief Compliance Officer & the Company Secretary at the Corporate Office.

