

LAKSHMI PRECISION SCREWS LIMITED

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Objective

This policy aims to provide an avenue for employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The company strongly asserts that any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

Considering the requirements of the clause 49 of the listing agreement and Section 177 of the Companies Act, 2013 and rules made thereunder; which mandates the vigil mechanism, Lakshmi Precision Screws Limited (the 'Company') commits itself to complying with all applicable to foster a robust, whistle blower protection scheme, which forms an integral segment of the company's ethical foundation.

Scope

1. This policy is for the employees as defined hereinafter.
2. All the employees are expected to not only abide by the company's code of conduct, but also encourage employees to report out any violation or transgression contracted during the course of business. All personnel are thus encouraged to make judicious use of this policy, keeping the organizational interests in mind.
3. The channel for this mechanism provides for adequate safeguards against victimization of employees and directors and also provide for direct access to the chairman/CEO/Chairman of the Audit committee in exceptional cases.

Definitions

"Alleged wrongful conduct" shall mean 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".

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.

"Company" means Lakshmi Precision Screws Limited and all its offices.

“Employee” means all the present employees and whole time Directors of the Company (Whether working in India or abroad) and in particular, Consultants Trainees, Contractors and sub-contractors, Agents and any other person(s) as may be decided by the Board of Directors of the Company.

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

“Investigation 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. It could refer to a group of individuals as well.

“Vigilance and Ethics Officer” means an officer 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.

“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

“Good faith” “an employee shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.

“Designated officer” the Company Secretary shall be the designated officer for the purpose of this policy.

“Disciplinary Action” “warning, imposition of fine, suspension from official duties or such other action that may be decided by the Audit Committee depending on the gravity of the matter.

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:

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

Disqualifications

Ensuring 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.

Following activities shall be brought to the notice of the designated officer

- (1) Violation of Code of Conduct of the Company.
- (2) Unethical, immoral, biased conduct or behavior.
- (3) Abuse of the power or the authority given.
- (4) Breach of contract.
- (5) Tampering or manipulating any record or data of the Company.
- (6) An activity, malpractice or wrongdoing which may be harmful for the persons working in the company or for the image of the company.
- (7) Financial irregularities and any type of fraud.
- (8) Misappropriation of the Company's fund.
- (9) Concealment of above activities.
- (10) Such other activities as prescribed by the Audit Committee.

Manner in which concern can be raised

- (a) For the purpose of proper & fair investigation, all necessary details shall be captured by the whistle blower in a standard format namely, the **protected disclosure**.
- (b) Implying that all factual corroborating evidence, as is possible to the extent shall be provided by the whistle blower, making the protected disclosure. In case of anonymous disclosure, whistle blower can choose to leave the personal details on first page of the protected disclosure form.
- (c) Whistle blowers are encouraged to express their concern at the earliest possible **preferably within 30 days of the irregularity** or breach of the code noticed by him/her, so that timely action can be taken.

If it is later found that the allegation reported by the whistle blower was a result of his mala-fide intentions or was not of a genuine nature, then he shall be subject to strict Disciplinary Action.

Investigation

All protected disclosures under this policy will be recorded and thoroughly investigated. 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 is not an accusation and is to be treated as a neutral fact finding process.

It is pertinent to mention that all **Investigation Subject** shall be duly informed about the said protected disclosure made against them. This approach renders an investigation subject with the rightful opportunity of voicing his explanation during the due course of investigation process.

It shall be endeavor of the company to keep the identity of the subject and the whistle blower confidential to the farthest extent possible, given the legitimate needs of law and the investigation.

The investigation shall be shall be completed normally within 45 days of the receipt of the protected disclosure and in case of any delay beyond 45 days, the same shall be justified in the investigation report.

Documentation & Reporting

A detailed written record of the protected disclosure shall be made. The record will include:

- (a) Facts of the matter.
- (b) Whether the same protected disclosure has been raised previously, and if so, the outcome thereof.
- (c) Whether the same protected disclosure has been raised previously against the same investigation subject.
- (d) The financial /other loss which has been incurred or would have been incurred by the company.
- (e) Findings of the ethics committee.
- (f) Impact analysis(if applicable)
- (g) The recommendations of the ethics committee on disciplinary/other actions.
- (h) The timeline for the final decision of investigation (maximum 45 days).

Decision

If an investigation leads the person in charge of the investigation/chairman of the audit committee to conclude that an improper or unethical act has been committed, the ethics counselor/chairman of the audit committee shall recommend to the management of the company to take such disciplinary or corrective action as the ethics counselor/chairman of the audit committee may deem fit.

It is thereby concluded that any disciplinary or corrective action which may be 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 procedure.

Secrecy / Confidentiality

As the company places great importance on enabling its staff to use this mechanism efficiently, it shall also render certain terms of confidentiality that inculcate a spirit of confidence and faith in those who utilize this mechanism. Accordingly, it proposes that all the significant users of this policy, vis-à-vis the complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- (a) Maintain confidentiality of all matters under this Policy.
- (b) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- (c) Not keep the papers unattended anywhere at any time
- (d) Keep the electronic mails / files under password.

Procedure for resolving grievance(s)

A Whistleblower can raise a concern with the appropriate authority or representative thereof either by-

- Sending an e-mail (**mention e-mail id**) or
- Verbally through telephone (**insert phone number**) or
- By written communication (**address where the written communication to be sent**)

Investigation

Concerns about the integrity and non-compliance with the Code of Ethical Business Conduct will be investigated as per the process laid down and defined by the appropriate authority. The Associate/s concerned who is/are found to be non-compliant after the investigation, is/are liable to face appropriate disciplinary action including termination from the services of the company.

Stakeholders need to write to appropriate authority immediately and raise a concern with required evidences and documents.

The authority consisting of experts will be formed with the right knowledge and objectivity from within the company. Members from this committee shall be assigned to investigate into the matter within a reasonable time from the date of receiving the complaint.

The authority should conduct an inquiry and come up with a report within 30 days from the date of the initial complaint.

The authority should recommend the corrective actions to the appropriate managers for implementation. In the event the accused is found guilty, penalties will be prescribed through the authority and will be implemented by the management.

The person raising the concern will also receive an update on the final outcome.

Protection for Whistleblowers

The company as a matter of policy **strongly, condemns any sort of harassment, victimization or any such related practice** that does not provide a sense of equality of treatment to its employees. Thus the company shall be not tolerant towards any unfair treatment exhibited towards the whistle blower by virtue of his/her having reported a Protected Disclosure under this policy. The company shall ensure that full protection has been granted to him/her, under the circumstances that Whistle Blower provides complete identity, against:

- (a) Unfair treatment practices like retaliation, threat or intimidation of termination/suspension of services/contracts, etc.
- (b) Direct or indirect abuse of authority to obstruct the whistle blower's right to continue performance of his duties/functions during routine daily operations, including making further Protected Disclosures under this policy.
- (c) The whistle blower may report any violation of the above clause to the committee, who may direct an investigation into the same and decide suitable Disciplinary Action against the concerned.
- (d) The company will take steps to minimize difficulties, which the whistle blower may experience as a result of making the protected disclosure.
- (e) Any complaint not made in good faith as assessed by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company.
- (f) Any matter reported out which is not reasonable or improper use of the mechanism shall lead to the termination of the concerned employee.

Access to Chairman of the Audit Committee

As a part of the policy program, the Whistle Blower is entitled to a right to access the Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is thus authorized to prescribe suitable directions in this regard.

Communication

The company strongly believes that success of the whistle Blower policy cannot be attained unless it is properly communicated to employees. Employees shall be informed about the same by publishing in notice board and the website of the company.

Retention of Documents

It is sufficiently material for the company that 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

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

Amendment

The Company is entitled to its **right to amend, suspend or modify this Policy** in whole or in part, at any time. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing. It shall thus be **approved by the Board of Directors** of the company and should primarily be **hosted on the company website**.