
WHISTLE BLOWER POLICY

PREAMBLE

Lakshmi Electrical Control Systems Limited (LECS) believes in fair, ethical and transparency in conduct of affairs within the company that adheres to high standards of professionalism, honesty and integrity. In view of this basic philosophy, LECS has adopted a code of conduct for its Directors and Employees which lays down the guiding principles and standards that should necessarily govern the actions. LECS therefore is committed to develop a culture within the company where it is safe for the directors and employees to raise their concerns about any unacceptable/unethical practice or misconduct.

Section 177(9) of the Companies Act, 2013, Rule 7 of the Companies (Meetings of Board and Powers) Rule, 2014 read with Regulation 4 (2) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed company to have a whistle Blower policy and establish a vigil mechanism whereby the Directors and Employees of the Company can ventilate their genuine concerns and grievances.

The purpose of this Whistle Blower policy is to provide for a framework that will further promote responsible and secure whistle blowing. This will enable directors and employees to report to management instances of unethical behaviour/acts, actual or suspended, fraud or violation of the company's code of conduct or ethics policy.

Accordingly, this Whistle Blower Policy has been formulated with a view to provide a mechanism for Directors and employees of the Company to approach the Chairman of the Audit Committee.

DEFINITIONS

The key terms used in the policy are defined as below.

- i) **Audit Committee:** The audit Committee is a sub-committee of Board of Directors of the Company duly constituted in pursuance of the provisions of section 177 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii) **Directors:** The term Directors refers to the members of the Board of Directors of the Company at any point of time.
- iii) **Employees:** The term Employees mean every employee of the Company whether working in India or abroad, including directors on whole time employment, contract employees, consultants, management advisors.
- iv) **Protected disclosures:** means a concern raised by a written communication made in good faith disclosing information that may be unethical or improper activity.
- v) **Whistle Blower:** is a director or employee who makes a protected disclosure under this policy.

- vi) **Whistle Officer:** means an officer or an executive of the Company nominated by the Chairman of the Audit Committee to receive the protected disclosures from the whistle blowers.
- vii) **Whistle Committee:** means a group of officers nominated or appointed by the Chairman of the Audit Committee of the Company for the purpose of investigation / deliberation of matters referred to the whistle officer.
- viii) **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.

SCOPE OF THE POLICY

The whistle blower policy covers activities and events which has taken place, suspected to take place involving:

1. Abuse of Authority
2. Breach of Trust
3. Breach of Contract
4. Negligence causing injury / loss of life and / or wastage of property
5. Manipulation of company data / records
6. Financial irregularities including fraud suspected fraud.
7. Criminal offence
8. Non- compliance of statutory requirements
9. Pilferage of confidential information
10. Deliberate violation Law/Regulation.
11. Wastage of material / assets , misappropriation of funds
12. Breach of employee code of conduct Rules or standing order of the Company
13. Theft or pilferage of intellectual property rights of the company
14. Any other unethical, biased, favoured imprudent event.

PROCEDURE

- i) All Protected Disclosures should be addressed to the Whistle Officer of the Company. The contact details of the Whistle Officer are as under.

Sri.C.Palani
Group Head – HR
Lakshmi Electrical Control Systems Limited,
Arasur,
Coimbatore - 641 407.

- ii) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in the local language of the place in which the office/establishment is located.

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- iii) The Protected Disclosure should be forwarded to the Whistle Officer under a covering letter which shall bear the identity of the Whistle Blower. The Whistle Officer shall detach the covering letter and discuss the Protected Disclosure with and if deemed fit, forward the Protected Disclosure for investigation.
 - iv) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and indicate the urgency of a preliminary investigative procedure.
 - v) The Whistle Blower must disclose his/her identity. Anonymous disclosures will not be entertained.
 - vi) If initial enquiries by the Whistle Officer indicate that the concern / complaint has no basis, or it is not a matter to be an investigation pursued under this Policy, it may be dismissed at this stage and the decision should be reduced in writing and documented.
 - vii) Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Whistle Officer alone, or by the Whistle Committee. 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 forwarded to the Chairman of the Audit Committee.

INVESTIGATION

- i) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle Committee.
- ii) Whistle Committee is required to conduct a process towards fact-finding and analysis. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. The Whistle Committee has a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- iii) The decision to conduct an investigation taken by the Whistle Officer 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.
- iv) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- v) 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.

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- vi) Subjects shall have a duty to co-operate with the Whistle Officer or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
 - vii) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coerced, coached, threatened or intimidated by the Subjects. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
 - viii) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
 - ix) The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure. However the Whistle Officer shall have the powers to grant or extend time limit wherever it is necessary.
 - x) On submission of report, the Whistle Officer shall discuss the matter with Whistle Officer who shall either:
 - a) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer / Whistle Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
 - b) In case the Protected Disclosure is not proved, close the matter;
- Or
- c) Depending upon the seriousness of the matter, Whistle Officer may refer the matter to the Chairman of Audit Committee with proposed disciplinary action/counter measures like suspension/termination of service/complaint to police etc., as the situation may warrant. The decision of the Audit Committee is final and binding.

PROTECTION

- i) 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 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.

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

SECRECY / CONFIDENTIALITY

The Whistle Blower, the Subject, the Whistle Officer / Audit Committee and everyone involved in the process shall:

- a) Maintain complete confidentiality / secrecy of the matter;
- b) Not discuss the matter in any informal / social gatherings / meetings;
- c) Discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- d) Not to keep the papers unattended anywhere at any time;
- e) Keep the electronic mails / files under password;

If any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

REPORTING

The Whistle Officer shall submit a report to the Audit Committee on a quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

The Company shall annually affirm that it has not denied any personnel access to the Whistle Officer of the Company in respect of matters involving alleged misconduct and that it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices. Such affirmation shall form a part of the Board report on Corporate Governance that is required to be prepared and submitted together with the annual report.

RETENTION OF DOCUMENTS

The Company shall retain all Protected Disclosures in writing or documented along with the results of investigation relating thereto for a minimum period of seven years.

AMENDMENT

The Chairman of the Audit Committee with the approval of the Board has the 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 posted in the Company's website in writing. The above shall form part of the present employment and other personnel policies of the Company.
