

WHISTLE BLOWER POLICY
LLOYD ELECTRIC & ENGINEERING LIMITED

PREFACE

The Company has adopted the Code of Ethics & Business conduct, which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the code cannot be undermined.

Section 177 of the Companies Act 2013 and the listing agreement executed with the stock exchanges has mandated for the establishment of the vigil mechanism called “Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected fraud or violations 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 the employees of the Company to approach the Whistle Counselor or the Whistle Blower Committee and in exceptional cases, chairman of the Audit Committee of the Company.

The purpose of this policy is to provide an avenue for employees to raise their concerns or any violations of legal and regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Company assures several rights, including protection from retaliation, for an Employee who reports a concern in Good Faith, who provides information, who causes information to be provided or who otherwise assists in an Investigation and who respects the Confidentiality of the matter.

APPLICABILITY

This policy applies to all permanent employees of the Company and to the Directors in the employment of the Company.

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below. Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or the listing agreement executed with the Stock Exchanges as amended from time to time.

- a) “Protected disclosure”, means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- b) “Disciplinary Action” means any action that can be taken on the completion of/ 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.

- c) "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.
- d) "Audit Committee" means a Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges.
- e) "Employee" means every employee of the Company (whether working in India or abroad), including Directors in the employment of the Company.
- f) "Whistle Blower" is someone who makes a protected disclosure under this policy
- g) "Whistle Counselor" means an officer who is nominated/ appointed to conduct detailed investigation of the disclosure received from the Whistleblower and recommends disciplinary action. Currently, the Senior Vice President- HR, Mr. Rakesh Seth is nominated as the whistle counselor
- h) "Whistle Committee " shall include the committee comprising of following members :
 - 1. Mr. Mukat B. Sharma, Whole Time Director
 - 2. Mr. Rakesh Seth, Senior Vice President- HR

GUIDING PRINCIPLES

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

- a) Ensure that the Whistle Blower or the person processing the Protected disclosure is not victimized for doing so
- b) Treat Victimization as a serious matter including initiating disciplinary action on such person
- c) Ensure complete confidentiality
- d) Not attempt to conceal evidence of the Protected Disclosure
- e) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/ to be made
- f) Provide an opportunity of being heard to the persons involved especially to the subject

SCOPE AND COVERAGE

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

- a) Abuse of authority

- b) Breach of contract
- c) Negligence causing substantial and specific danger to public health and safety
- d) Manipulation of Company data/ records
- e) Financial irregularities, including fraud or suspected fraud) Any unlawful act whether criminal or civil.
- f) Pilferation of confidential/ propriety information
- g) Deliberation violation of law / regulation
- h) Wastage/misappropriation of company funds/assets
- i) Breach of employee code of conduct or rules
- j) Any other unethical, biased, favoured, imprudent event

Policy should not be used in place of the Company grievance procedures or a route for raising malicious or unfounded allegations against the Colleagues.

PROTECTION TO THE WHISTLE BLOWER

- a) If one raises a concern under this policy, he or she will not be at the risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment, or vengeance in any manner. 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 behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties or functions including making further protected disclosures.
- b) The Company shall exercise utmost care with regard to the confidentiality of such a report or the anonymity of the employee, within the limits as defined by applicable laws and regulations.

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 policy.

ANONYMOUS ALLEGATIONS

Whistle Blower must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously SHALL NOT BE usually investigated BUT subject to the seriousness of the issue raised the Whistle Committee can initiate an investigation independently.

ACCOUNTABILITIES –WHISTLE COUNSELLOR AND WHISTLE COMMITTEE

- a) Conduct the enquiry in a fair, unbiased manner
- b) Ensure complete fact-finding
- c) Maintain strict confidentiality
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- e) Recommend an appropriate course of action-suggested disciplinary action, including dismissal, and preventive measures
- f) Minutes to be made for committee deliberations and report and findings to be documented

PROCEDURE

- 1) Employee can make a Protected Disclosure in writing addressed to the Whistle Counselor via an e-mail to whistle.blower@lloydengg.com, the email id designated for the said purpose.

However disclosures against any Business Unit Heads or the Executive Directors should be sent directly to the Chairman & Managing Director (CMD).

- 2) While submitting the disclosure, the following details must be mentioned:
 - a) Name, address and contact details of the Whistle Blower
 - b) Brief description of the Malpractice, giving the name of those alleged to have committed or about to commit a Malpractice. Details such as time and place of occurrence are also important.
 - c) In case if letters, the disclosures should be sealed in an envelope marked “Whistle Blower” and addressed to the Whistle Counselor or CMD, depending upon the position of the person against whom the disclosure is made.
- 3) Where the initial enquiries indicate that concern has no basis, or it is not a matter to be investigated pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- 4) Where the initial enquiries indicate that further investigation is necessary, the Whistle Counselor will proceed to investigate the Disclosure with the assistance of the Whistle Committee. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Whistle Counselor shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.

- 5) Subjects will normally be informed of the allegations at the outset of the formal investigation and have opportunities for providing their inputs during the investigation
- 6) The decision to conduct an investigation is 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.
- 7) The Whistle Committee shall conduct such investigations in a timely manner and shall submit its report containing the findings and recommendations to the whistle Counselor/ Audit committee as soon as practically possible and in any case, not later than 90 days from the date of receipt of the disclosure. The committee may be allowed additional time for the submission of the report basis the circumstances of the case.
- 8) The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access systems or other information by the Whistle Committee/ Counselor for the purpose of such investigation shall do so. Individuals with whom the Whistle Committee/Counselor requests an interview shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- 9) If the Malpractice constitutes a criminal offence, the Whistle Counselor shall bring it to the notice of the CMD and take appropriate action.

REPORTING

The Whistle Counselor / Committee shall submit a report on quarterly basis to the Audit Committee regarding no. of disclosures received in previous quarter, nature of complaint, outcome of investigation, action recommended by the Committee / Counselor and implementation of the same. The Audit Committee shall review the actions taken by the whistle committee/ Counselor and take note of the same.

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

AMENDMENT

The Company reserves the right to amend or modify this policy in whole or in part, at any time without assigning any reason, whatsoever.

(Whistle Blower Policy adopted by the Board of Directors of the Company in their meeting held on May 29, 2014)