

WHISTLE BLOWER POLICY

PREAMBLE

LMW Limited (formerly known as Lakshmi Machine Works Limited) believes in fair, ethical and transparent conduct of affairs in the Company adhering to high standards of professionalism, honesty and integrity. In view of this philosophy, LMW has adopted a Code of Conduct for its Directors and Employees, relevant Business Responsibility Policies which lay down the guiding principles and standards that should necessarily govern the actions of Company / Stakeholders. Whenever and wherever there is a deviation, the Stakeholders of the Company should have a grievance redressal mechanism. LMW has therefore developed a re-assuring culture within the Company for its Directors, Employees and Stakeholders wherein genuine concerns about unacceptable / unethical practice or misconduct concerning LMW and/or its Stakeholders can be raised without the fear of any reprisal.

Section 177(9) of the Companies Act, 2013, Rule 7 of the Companies (Meetings of Board and Powers) Rules, 2014 read with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require every listed Company to have a Whistle Blower Policy and to establish a vigil mechanism whereby the Directors, Employees and other Stakeholders of the Company can raise / lodge their genuine concerns and grievances about the Company (its practices / processes) and /or about conduct of Stakeholders.

The purpose of this Whistle Blower Policy is to provide a framework that will nurture a culture of responsible and secure environment for Whistle Blowers ("Stakeholders who make protected disclosures") to report to Management instances of unethical behaviour / acts, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy / Business Responsibility Policies or any other grievances.

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

DEFINITIONS

The key terms used in the Policy are defined as below:

1. **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.
2. **Directors:** The term Directors refers to the members of the Board of Directors of the Company at any point of time.
3. **Employees:** The term Employees mean every employee of the Company whether working in India or abroad, including Directors on wholetime employment, contract employees, consultants, management advisors.
4. **Stakeholder(s):** means a person or entity which includes but is not limited to employee, customers, vendors, investors and general public in the community who may have interest in the Company in the normal course of business.

5. **Protected disclosures:** means a concern raised by a written communication made in good faith disclosing information that may be unethical or improper activity.
6. **Whistle Blower:** is a Director or Employee or a Stakeholder who makes a protected disclosure under this Policy.
7. **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.
8. **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.
9. **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 have taken place involving:

- i). Abuse of Authority
- ii). Breach of Trust
- iii). Breach of Contract
- iv). Negligence causing injury / loss of life and / or wastage of property
- v). Manipulation of Company data / records
- vi). Financial irregularities including fraud / suspected fraud
- vii). Criminal offence
- viii). Non-compliance of statutory requirements
- ix). Pilferage of confidential information
- x). Deliberate violation Law / Regulation
- xi). Wastage of material / assets, misappropriation of funds
- xii). Breach of employee code of conduct rules or standing order of the Company
- xiii). Theft or pilferage of intellectual property rights of the Company
- xiv). Non-Compliance of Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders as per the said Policy
- xv). Leak of Unpublished Price Sensitive Information
- xvi). Any other unethical, biased, favoured imprudent event
- xvii). Any other grievances

PROCEDURE

1. All Protected Disclosures should be addressed to the Whistle Officer of the Company. The contact details of the Whistle Officer are as under:

HEAD HR
LMW Limited
(formerly known as Lakshmi Machine Works Limited)
SRK Vidyalaya Post,
Perianaickenpalayam,
Coimbatore - 641020.

Note: Head HR at any point of time would refer to the highest authority within the HR function of the Company.

2. 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.
3. 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.
4. 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.
5. The Whistle Blower must disclose his / her identity. Anonymous disclosures will not be entertained.
6. If initial enquiries by the Whistle Officer indicate that the concern / complaint has no basis, or it is not a matter for an investigation to be pursued under this Policy, it may be dismissed at this stage and the decision should be reduced in writing and documented.
7. Where initial enquiries indicate that further investigation is necessary, this will be carried out 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.
8. Where the Head HR of the Company himself / herself is a subject, then the Protected Disclosure is to be forwarded to the Chairman of the Audit Committee, who in turn will decide the authority who will be responsible for initiating initial enquiry.
9. Where the Chairman of the Audit Committee himself / herself is a subject, then the Protected Disclosure shall be forwarded to the Board of Directors of the Company, who in turn will decide the authority who will be responsible for initiating initial enquiry.

INVESTIGATION

1. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle Committee.
2. 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 in perception. The Whistle Committee has a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.

3. The decision to conduct an investigation taken by the Whistle Officer / person authorized by the Chairman of the Audit Committee / Board of Directors 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.
4. The identity of the Whistle Blower / Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
5. Subjects will normally be informed of the allegations at the outset of a formal investigation and will have opportunities for providing their inputs during the investigation.
6. 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.
7. 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.
8. 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.
9. 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.
10. On submission of report, the Whistle Officer / person authorized by the Chairman of the Audit Committee / Board of Directors shall discuss the matter with the Audit Committee / Whistle Committee who shall either:

In case the Protected Disclosure is proved, accept the findings and take such Disciplinary Action as he / she may think fit and take preventive measures to avoid re-occurrence of the matter;

a). In case the Protected Disclosure is not proved, close the matter;

or

b). Depending upon the seriousness of the matter, Whistle Officer / person authorized by the Chairman of the Audit Committee / Board of Directors may refer the matter to the Chairman of Audit Committee with proposed disciplinary action / counter measures like suspension / termination of service / complaint to relevant statutory authorities etc., as the situation may warrant. The decision of the Audit Committee / Board of Directors of the Company is final and binding.

PROTECTION

1. 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 a Whistle Blower. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension from 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 / her 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.
2. Any other stakeholder 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 anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

REPORTING

The Company shall annually affirm that it has not denied any person 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 / business 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.

A register to record activity under this Policy will be maintained by the Whistle Officer and shall be placed annually before the Audit Committee.

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 is authorized to make minor modifications to this Policy which will remove ambiguities, enhance clarity on the provisions of the Policy, etc.

In case of any major changes to the Policy, 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 Stakeholders unless the same is posted in the Company's website in writing.

Policy amended as on 26.10.2020