



LAXMI ORGANIC INDUSTRIES LTD

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## **WHISTLEBLOWER POLICY**

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## A. INTRODUCTION:

Laxmi Organic Industries Limited ("LOIL" or the "Company"), believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In compliance with Companies Act, 2013 and principles of good corporate governance, the Audit Committee of the Company is committed to adopting procedures to receive and address any concern or complaint regarding questionable accounting or auditing matters, internal accounting controls, disclosure matters, reporting of fraudulent financial information to our shareholders, any government entity or the financial markets, or any other company matters involving fraud, employee misconduct, illegality or health and safety and environmental issues which cannot be resolved through normal management channels. The Whistle Blower Policy of the Company has been approved by the Audit Committee of the Board of Directors of the Company as per the terms of the provisions of Section 177 of the Companies Act, 2013, as amended, Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014, as amended and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

Employees are often the first to realize that there is something seriously wrong within the organization in terms of any process or the practices. However, they may not express their concerns to protect their own job security or fear of spoiling the relationship with their colleagues, peers, or the superiors within the organization. Whistle blowing encourages and enables the employees to raise serious concerns within the organization rather than overlooking a problem or 'blowing the whistle' outside.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing and also permits the Company to address such disclosures or complaints by taking appropriate action, including but not limited to, disciplining or terminating the employment and/or services of those responsible. The Company will not tolerate any retaliation against any employee for reporting in good faith any inquiry or concern. It protects employees wishing to raise a concern about serious irregularities within the Company.

## B. DEFINITIONS:

- a. **"Audit Committee"** is a Committee having its own Terms of Reference and constituted by the Board of Directors of the Company pursuant to the provisions of the Section 177 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, as may be amended from time to time.
- b. **"Company"** Means Laxmi Organic Industries Limited (LOIL).
- c. **"Disciplinary Action"** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a oral warning reprimand, imposition of fine, suspension from official duties or any such action by the Board of Directors as it may deemed to be fit considering the gravity of the matter.
- d. **"Employee"** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- e. **"Protected Disclosure"** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- f. **"Questionable Accounting or Auditing Matters"** include, without limitation, the following:
  - a. fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
  - b. fraud or deliberate error in the recording and maintaining of financial records of the Company;

- c. deficiencies in or non-compliance with the Company's internal accounting controls;
- d. misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- e. deviation from full and fair reporting of the Company's financial condition.
- g. **"Reportable Matters"** means Questionable Accounting or Auditing Matters (defined below), and/or any other Company matters involving abuse of authority, breach of contract, breach of Code of Conduct & Ethics for Directors and Senior Management Personnel, breach of Code of Conduct for Independent Directors, negligence causing substantial and specific danger to public health and safety, manipulation of Company data or records, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues, wastage/misappropriation of company funds/assets, unauthorized disclosure of confidential information, deliberate violation of law, rules and regulation and any other unethical conduct.
- h. **"Subject"** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- i. **"Whistle Blower"** means any Employee, who has or had access to information, events, or data about an actual, suspected or anticipated Reportable Matters within or by the Company and makes or attempts to make a deliberate or voluntary Protected Disclosure under this Policy.
- j. **"Whistle Officer"** means "Company secretary" or "Compliance Officer" of the Company or any other person designated as such by the Board.

**C. SCOPE & APPLICABILITY:**

Whistle Blowers are eligible to make Protected Disclosures under this Policy, in relation to matters concerning the Company.

**D. GUIDELINES:**

- a. Employees can make Protected Disclosure in writing addressed to the Chairman of the Audit Committee as soon as possible but not later than 30 consecutive days after becoming aware of the same. Protected Disclosure shall be made in closed/ secured envelope and should be titled as "Protected Disclosure under the Whistle Blower Policy".
- b. Protected Disclosure shall be given in a standard format by the Whistle Blower. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure. The Chairman of the Audit Committee shall detach the Covering Letter while forwarding the Protected Disclosure to the Audit Committee for consideration.
- c. Although a Whistleblower is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information in order to enable the Company to effectively evaluate and investigate the complaint. It is difficult for the Company to proceed with an investigation on a complaint, particularly an anonymous complaint, which does not contain all the critical information such as the specific charge. The complaint or disclosure must therefore provide as much detail and be as specific as possible, including names and dates, in order to facilitate the investigation. To the extent possible, the complaint or disclosure must include the following:
  - 1. The employee involved;
  - 2. The sector of the Company where it happened (division, office);

3. When did it happen: a date or a period of time;
  4. Type of concern (what happened);
    - a) Financial reporting;
    - b) Legal matter;
    - c) Management action;
    - d) Employee misconduct; and/or
    - e) Health & safety and environmental issues.
  5. Submit proof or identify where proof can be found, if possible;
  6. Who to contact for more information, if possible; and/or
  7. Prior efforts to address the problem, if any.
- d. Protected Disclosures should be factual and should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
  - e. Concerns expressed anonymously will not be investigated.
  - f. Whistle Blowers are not to act on their own in conducting any investigation.
  - g. If initial enquiries by the Whistle Officer indicate that the concern has no basis, or it is not a matter to be investigated or pursued under this Policy, it may be dismissed by the Audit Committee at this stage itself provided such dismissal shall be properly minuted and documented.
  - h. The Whistle Officer will conduct an investigation in a fair manner, as a neutral fact-finding process and without presumption of guilt. He will make a detailed written record of the protected disclosure and will submit a written report of the findings to the Audit Committee.
  - i. In case the Protected Disclosure is proved, the Audit Committee will accept the findings of the Whistle Officer and recommend such Disciplinary Action as may think fit and take preventive measures to avoid reoccurrence of the matter.

**E. DISQUALIFICATIONS:**

- a. While it will be ensured 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.
- b. 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.
- c. Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

**F. INVESTIGATION:**

- a. All Protected Disclosures reported under this Policy will be thoroughly got investigated by the "Whistle Officer". The Audit Committee will oversee the investigations under their authorization. The Audit Committee may at its discretion, consider involving any other outside Investigators other than Whistle Officer for the purpose of investigation.
- b. The identity of a Subject and the Whistle Blower will be kept confidential to the possible extent.

- c. 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. He shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation.
- d. Subjects have a right to consult with a person or persons of their choice, other than the Whistle officer and/or the Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- e. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to consider reimburse such costs.
- f. 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, coached, threatened or intimidated by the Subjects.
- g. Subjects have a right to be informed of the outcome of the investigation.
- h. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

**G. PROTECTION:**

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under this Policy. 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 duties/functions including making further Protected Disclosure.
- b. The identity of the Whistle Blower shall be kept confidential.
- c. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

**H. SECRECY/CONFIDENTIALITY:**

The Whistle Blower, the Subject, the 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 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.

**I. REPORTING:**

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

The copy of this Policy shall be place on the web site of the Company and shall also be detailed in the Board's Report.

**J. RETENTION OF DOCUMENTS:**

The Company shall maintain documentation of all Whistle Blower or reports subject to this Policy. The documentation shall include any written submissions provided by the Whistle Blower, any other Company documents identified in the Protected Disclosure or by the Company as relevant to the Protected Disclosure, a summary of the date and manner in which the Protected Disclosure was received by the Company and any response by the Company to the Whistle Blower. All such documentation shall be retained by the Company for a minimum of six (6) years from the date of receipt of the Protected Disclosure. Confidentiality will be maintained to the extent reasonably practicable depending on the requirements and nature of the investigation, as indicated above.

**K. AMENDMENT:**

Audit Committee shall periodically review and amend or modify this Policy as per Company's requirement.

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*Approved and Adopted by Board of Directors of Laxmi at their meeting held on November 25, 2020*