

## WHISTLE BLOWER/VIGIL MECHANISM POLICY OF LS INDUSTRIES LIMITED

1.	<b>PREFACE</b>
	<p>The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Company's Code of Conduct.</p> <p>Employees have a role and responsibility in pointing out such violations and their role in pointing out such violations of the Code cannot be undermined. This policy is formulated to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such practices in good faith.</p> <p>Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of section 177 of Companies Act 2013 and rules &amp; regulations made thereunder, <i>inter alia</i>, provides for a mandatory requirement for all listed companies to establish a vigil mechanism called.</p> <p>'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of conduct.</p> <p>Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach to Audit Committee or to the Chairman of Audit Committee of Company.</p>
2	<b>Applicability</b>
	<p>This policy shall be applicable to all employees of the Company including Directors of the Company with immediate effect.</p>
3	<b>Definitions</b>
	<p>The definitions of some of the key terms used in this Policy are given below.</p>
3A	<p><b>"Audit Committee"</b> means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of Companies Act 2013</p>

		& rules and regulations made thereunder and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
	<b>3B</b>	<b>“Adverse Personnel Action”</b> means an employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee’s employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.
	<b>3C</b>	<b>“Code”</b> means the Code of Conduct of Ls Industries Limited.
	<b>3D</b>	<b>“Disciplinary Action”</b> means any action that can be taken on the completion of /during the investigation proceedings including but not limiting 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.
	<b>3E</b>	<b>“Employee”</b> means every employee of the Company including the Directors of the Company.
	<b>3F</b>	<b>“Good Faith”</b> means an employee shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of the alleged wrongful conduct. Good faith shall be deemed lacking when the employee does not have personal knowledge of or a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the alleged wrongful conduct is malicious, false or frivolous.
	<b>3G</b>	<b>“Investigators”</b> mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the internal auditors of the Company.
	<b>3H</b>	<b>Managerial Personnel</b> include Directors, all Head of the Departments/ Managers and above, who has authority to make or materially influence significant personnel decisions.
	<b>3I</b>	<b>“Protected Disclosure or Complaint”</b> means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
	<b>3J</b>	<b>“Policy”</b> means Whistle Blower Policy.
	<b>3K</b>	<b>“Subject”</b> means a person or persons against or in relation to whom a Protected Disclosure or Complaint has been made or evidence gathered during the course of an investigation.
	<b>3L</b>	<b>“Whistle Blower”</b> means an Employee making a Protected Disclosure under this Policy.

4		<b>Role of Whistle Blower</b>
		<p>The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.</p> <p>Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested or required by the Chairman of Audit Committee or by the Investigators.</p> <p>Protected Disclosures or Complaints will be appropriately dealt with by the Commercial Manager and/or by Chairman of the Audit Committee.</p>
5		<b>Disqualifications for making Protected Disclosures and False Complaints</b>
		<p>While this Policy is intended to protect genuine Whistle blowers from any unfair treatment as a result of their disclosure but misuse of this protection by making frivolous and bogus complaints by the Whistle Blower knowing it to be false or with malafide intentions is strictly prohibited and will warrant disciplinary action.</p> <p>Whistle Blowers who make three or more Protected Disclosures or Complaints, which have been subsequently found to be false, frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.</p>
6		<b>REPORTING MECHANISM</b>
	6.1	<p>At the first instance, Employees can make Protected Disclosure or Complaint directly to the Commercial Manager duly authorized &amp; nominated by the Board in this behalf, within 30 days after becoming aware of the same. In case of non-receipt of any reply or response with in a period of 15 days from the date of communication to Commercial Manager, he may directly approach to the Chairman of Audit Committee for proper redressal or remedial action. The address is as hereunder:</p> <p><b><u>Address for Communication: -</u></b></p> <p>Mr. Sushil Kumar, Commercial Manager, LS Industries Limited, Village Bairsen, PO Manjholi, Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India Email: lsindustries93@gmail.com. Phone No. 9056725688</p>
		<p>Although in exceptional cases and in extraordinary circumstances, which according to the understanding of Whistle Blower led him to resort such measure, then he/she may directly approach to Managing Director along with reasons recorded writing for adopting such measure and his/her concern or complaint so identified or so noticed.</p>

		<p><u>Address for Chairperson Audit Committee: -</u>  LS Industries Limited  Address: Village Bairsen, PO Manjholi, Tehsil-Nalagarh,  Solan, Himachal Pradesh-174101  Email: <a href="mailto:csmahindru@gmail.com">csmahindru@gmail.com</a>  Phone no. 8699731299</p>
	<b>6.2</b>	Protected Disclosures should be reported only 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 Hindi. Whistle Blower must put his/her name to allegations.
	<b>6.3</b>	<p>The Protected Disclosure or Complaint 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.</p> <p>It may include the following information's:</p> <ul style="list-style-type: none"> <li>• The employee, and/or outside party or parties involved;</li> <li>• The sector of the Company where it happened (division, office);</li> <li>• When did it happen: a date or a period of time;</li> <li>• Type of concern (what happened); <ul style="list-style-type: none"> <li>a) Financial reporting;</li> <li>b) Legal matter;</li> <li>c) Management action;</li> <li>d) Employee misconduct; and/or</li> <li>e) Health &amp; safety and environmental issues.</li> </ul> </li> <li>• Submission of proof, if possible;</li> <li>• Prior efforts to address the problem, if any.</li> </ul>
	<b>6.4</b>	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. Appropriate care will be taken to keep the identity of the Whistle Blower confidential.
	<b>6.5</b>	<b>Concerns expressed anonymously or Protected Disclosure or Complaint made anonymously WILL NOT BE investigated.</b>
	<b>6.6</b>	If initial or preliminary enquiries by Commercial Manager indicates that the concern has no basis or false or fabricated or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision will be documented. Commercial Manager will communicate his decision in the form of a written Report to the Chairperson Audit Committee within 30 days of his conclusion of initial inquiry.
	<b>6.7</b>	Consequently, the Chairperson Audit Committee will inform to the Board of Directors by way of submission of his report on the said inquiry with in a period of 60 days from the date of receipt of written report of Director.

	<b>6.8</b>	But in case, where initial inquiries indicates that further investigation is necessary or depending upon seriousness of the matter, the Commercial Manager will make assessment thereof and will submit appropriate protected disclosure or complaint before the Chairperson Audit Committee within 30 days of conclusion of his initial inquiry for further appropriate action.
<b>7</b>		<b>INVESTIGATION</b>
	<b>7.1</b>	All Protected Disclosures or Complaints referred by Commercial Manager to the Chairman of Audit Committee under this Policy will be thoroughly investigated by Chairman and members of the Audit Committee of the Company which also include to oversee the entire investigation process and allied matters.
	<b>7.2</b>	The Chairman of the Audit Committee may at his discretion, consider to involve any Investigators for the purpose of investigation depending upon the seriousness of the matter. The role and responsibilities of Investigators will be defined by Chairman of Audit Committee in the due course of process.
	<b>7.3</b>	The decision to conduct an investigation taken by the Chairman of the Audit Committee will 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 or about to be committed.
	<b>7.4</b>	The identity of a Subject/s and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
	<b>7.5</b>	Subject/s will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
	<b>7.6</b>	Subject/s shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during the course of investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
	<b>7.7</b>	<p>Subject/s shall have a right to consult with a person or persons of their choice, other than the Commercial Manager/ Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subject/s shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings, if so required or deemed fit considering the materiality of investigation and implication of matter/disclosure involved.</p> <p>However, if the allegations against the subject are not sustainable or later on found malafide, then the Company may at his its own discretion may reimburse appropriate cost or expense to subject.</p>

	<b>7.8</b>	<p>Subjects will 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.</p> <p>The Whistle Blower, the Subjects, Investigators and everyone involved in the process shall:</p> <ul style="list-style-type: none"> <li>a. maintain complete confidentiality/ secrecy of the matter.</li> <li>b. not discuss the matter in any informal/social gatherings/ meetings.</li> <li>c. not keep the papers unattended anywhere at any time.</li> <li>d. keep the electronic mails/files under password</li> </ul> <p>If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.</p>
	<b>7.9</b>	<p>Subjects will be given proper opportunity of being heard before making any final decision or before reaching to final conclusion.</p>
	<b>7.10</b>	<p>The investigation shall be completed within 90 days of the receipt of the Protected Disclosure or Complaint.</p>
<b>8</b>		<b>DECISION</b>
		<p>If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit, considering the severity of the matter. It is clarified that any disciplinary or corrective or remedial action 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 procedures/policy.</p>
<b>9</b>		<b>Protection to Whistle Blower &amp; to others connected</b>
		<p>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 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.</p>

		<p>Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.</p> <p>The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made.</p>
<b>10</b>		<b>Reporting</b>
		A report of Protected Disclosures or complaints, if received, under the Policy and their outcome shall be placed before the Audit Committee and the Board on regular intervals.
<b>11</b>		<b>Retention of documents</b>
		All Protected Disclosures or Complaints in writing or documented along with the results of investigation relating thereto will be retained by the Company for a maximum period of five years.
<b>12</b>		<b>Review and Amendment</b>
		The Audit Committee of the Board of Directors of the Company shall periodically review the existence and functioning of Whistle Blower Policy. The Board of Directors after considering the recommendations of Audit Committee is empowered to amend this policy in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.