



LALITHAA JEWELLERY MART PRIVATE LIMITED

VIGIL MECHANISM POLICY

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A.1 INTRODUCTION

LALITHAA JEWELLERY MART PRIVATE LIMITED (“the Company”) believes in promoting a fair, transparent, ethical and professional work environment. While the code of conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the official standards.

The Vigil mechanism is implemented not only as a safeguard to unethical practices. This mechanism is intended to provide mechanism for reporting genuine concerns or grievance and ensure that deviations from the Company’s Business Conduct Manual and Values are dealt with in a fair and unbiased manner as provided in Section 177 (9) and (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

A.2 DEFINITIONS

Definitions of some of the key terms used in this mechanism are given below:

- a. “Act” means the Companies Act, 2013
- b. “Associates” means and includes vendors, suppliers and others with whom the Company has any financial or commercial dealings.
- c. “Company” means the Lalithaa Jewellery Mart Private Limited
- d. “Director” means every Director of the Company, past or present.
- e. “Employee” means every employee of the Company including contractual employees and the directors in the employment of the Company.
- f. “Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- g. “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.
- h. “Whistleblower” means an Employee or Director making a Protected Disclosure under this Policy.
- i. “Rules” means the Companies (Meetings of the Board and its Powers) Rules, 2014 notified by the Ministry of Corporate Affairs, Govt. of India vide G.S.R. 240(E) dated 31.3.2014 and amendments thereof.

A.3 GUIDING PRINCIPLES OF THE VIGIL MECHANISM

To ensure effective implementation of vigil mechanism, the Company shall:

- a. Ensure protection of the whistleblower against victimization for the disclosures made by him/her.
- b. Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.



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- c. Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d. Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e. Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested to him/her.
- f. Ensure the subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.
- g. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

A.4 COVERAGE OF THE VIGIL MECHANISM

All Employees, Directors, Vendors, Suppliers, Dealers and Consultants, including Auditors and Advocates who are associated with the Company can raise concerns regarding malpractices and events which may negatively impact the Company.

- a. Inaccuracy in maintaining the Company's books of account and financial records
- b. Financial misappropriation and fraud
- c. Procurement fraud
- d. Conflict of interest
- e. False expense reimbursements
- f. Misuse of company assets & resources
- g. Inappropriate sharing of company sensitive information
- h. Corruption & bribery
- i. Insider trading
- j. Unfair trade practices & anti-competitive behaviour
- k. Non-adherence to safety guidelines
- l. Sexual harassment
- m. Child labor
- n. Discrimination in any form
- o. Violation of human rights



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A.5 REPORTING MECHANISM

The whistleblowers are expected to speak up and bring forward the concerns or complaints about issues listed under A.4 “Coverage of the vigil mechanism”.

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy in matters concerning the Company.

- a. All Protected Disclosures under this policy concerning financial/accounting matters should be addressed to the Chairman of the Company for investigation.
- b. 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, Hindi or in the regional language of the place of employment.
- c. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- d. Protected Disclosures should be factual and not speculative 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 the urgency of a preliminary investigative procedure.
- e. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures are not favoured as it would not be possible to interview the Whistleblowers. However, when an anonymous Whistleblower provides specific and credible information that supports the complaint, such as alleged perpetrators, location and type of incident, names of other personnel aware of the issue, specific evidence, amounts involved etc. while choosing to maintain anonymity, then there are often sufficient grounds for the Company to consider an investigation into the complaint.
- f. Mr. P Rajeswaran, Director of the Company have been nominated by the Board of Directors of the Company to play the role of Vigilance Officer of the Company to whom other Directors and Employees may report their concern.

The contact details of the Vigilance Officer is as under:

Name - Mr. P Rajeswaran

Email id – rajesh@lalithaajewellery.com



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A.6 INVESTIGATION

- a. The investigation would be carried out to determine the authenticity of the allegations and for fact-finding process.
- b. The Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- d. The decision to conduct an investigation taken by the Chairman is by itself not an accusation and is to be treated as a neutral fact-finding process.
- e. 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.
- f. Subjects shall have a duty to co-operate with the Chairman or any of the Investigators during investigation.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. 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.
- i. 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.
- j. 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.
- k. The investigation shall be completed normally within three months from the date of receipt of the Protected Disclosure.

A.7 MAINTAINING SECRECY AND CONFIDENTIALITY

The Company expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.



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A.8 DISQUALIFICATIONS

- a. Issues other than those listed under Section IV “Coverage of the vigil mechanism”.
- b. The complainant is not able to provide specific information that covers at least some of the following points:
 - i. Location of incident
 - ii. Timing of incident
 - iii. Personnel involved
 - iv. Specific evidence
 - v. Frequency of issues
- c. In case the complainant is unable to provide adequate information, the Vigilance Officer reserves the right to not investigate the reported matter.

A.9 DECISION

If an investigation leads the Vigilance Officer to conclude that an improper or unethical act has been committed, he shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it deems fit.

It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable Employees conduct and disciplinary procedures.

A.10 RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years or such longer time as applicable under relevant regulations, if any.

A.11 RIGHT TO AMENDMENT

The Company reserves its 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 and directors unless the same is notified to the Employees and Directors in writing.

Sd/-
P RAJESWARAN
VIGILANCE OFFICER