

VIGIL MECHANISM

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PREAMBLE

Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, requires every Company to establish a vigil mechanism for the Directors and Employees to report genuine concerns in such manner as may be prescribed.

In compliance with the requirements of the Companies Act, 2013, the Company has formulated a Vigil Mechanism for the purpose of ensuring adherence to the Trust Charter by the Directors and all employees (as laid down by the Company and which lays down the principles and standards that should govern the actions of the Directors, all employees and all business associates of the Company.

MECHANISM OBJECTIVES

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its Directors/employees/business associates who have genuine concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

The Vigil Mechanism aims to provide a channel to the Whistleblower to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Trust Charter and provide adequate safeguard against victimization of the Whistleblower who avails the Vigil Mechanism.

The Mechanism also provides for adequate safeguards against victimization of Directors, employees and business associates to avail the mechanism and also provide for direct access to the Chairperson of the Ethics Committee, in exceptional cases.

However, this neither releases Directors, employees and business associates from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

Also, in case of repeated frivolous complaints being filed by a Director/employee/ business associate, the Chairperson of the Ethics Committee may take suitable action against the concerned Director/employee/ business associate including reprimand.

SCOPE OF VIGIL MECHANISM

- To act as an additional internal element of the Company's compliance and integrity policies.
- Not a substitute for other formal internal arrangements and procedures.
- Seeks to ensure that anyone who is aware, Director/employee/business associate of the Company, of a breach of Company's Trust Charter and Policies, suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of company's code of conduct or ethics etc., feels free to bring this to the attention of appropriate personnel in the Company, without fear of victimization, harassment or retaliation on part of the Company's management.

APPLICABILITY

This Mechanism applies to the following:

- All the Directors
- All employees and ex-employees and their representative bodies
- All the Business Associates of the Company

DEFINITION OF CERTAIN TERMS USED IN THIS DOCUMENT

“Ethics Committee” means a Committee constituted by the Company by the name of ‘Ethics Committee’ for overseeing the affairs of Vigil Mechanism, Trust Charter and issues related thereto.

“Company” means Luminous Power Technologies Private Limited and its subsidiary Companies.

“Director” means a person who holds or has held the position of a director on the Board of Directors of the Company.

“Employee” means every employee on the permanent or temporary rolls of the Company and ex-employees including employees of Company’s subsidiaries and associates (whether working in India or abroad)

“Good Faith” An employee shall be deemed to be communicating in “good faith” if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

“Mechanism” means Vigil Mechanism as provided in this document.

“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 and as more particularly delineated in the Scope section of this Mechanism. Protected Disclosures should be factual and not speculative in nature.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Mechanism.

“Vigilance Officer” means an officer who is nominated/ appointed to conduct detailed investigation of the Protected Disclosure received from the Whistleblower and recommend disciplinary action.

“Whistleblower” means a person making a Protected Disclosure under this Mechanism on either of the subjects below:

1. Whistles Breach of the Company’s Policies;
2. Breach of Business Integrity and Ethics;

3. Breach of terms and conditions of employment and rules thereof;
4. Intentional Financial irregularities, including fraud, or suspected fraud;
5. Deliberate violation of laws/regulations;
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment;
7. Financial Misappropriation and fraud;
8. Inappropriate sharing of Company's sensitive information;
9. Corruption and bribery;
10. Insider trading;
11. Unfair trade practices and anti-competitive behavior;
12. Sexual harassment;
13. Child labor;
14. Discrimination in any form;
15. Manipulation of company data/records;
16. Pilferation of confidential/propriety information;
17. Gross Wastage/misappropriation of Company funds/assets;
18. Abuse of Authority;
19. Violation of human rights;

Whistleblower or complainant could be Director(s)/employee/ex-employee including and representative bodies /business associate/ vendor/ customer/ partners.

DISCLOSURE

The Mechanism is an extension of the Trust Charter for all Directors, employees and business associates and covers disclosure of any unethical and improper practice or malpractices and events which have taken place/ suspected to take place involving either of the following matters:

The above list is only illustrative and should not be considered as exhaustive.

ELIGIBILITY

All Directors, employees of the Company and any other person associated with the Company are eligible to make Protected Disclosures under this Mechanism in relation to matters concerning the Company. The Mechanism should however not be used for making malicious/frivolous allegations against the Directors/employees of the Company.

PROCEDURE TO REPORT THE CONCERN

At Luminous, there are several ways to raise a concern, to make sure there is an appropriate respond: there are three ways to raise concern about unethical conducts. Whistleblowers may choose the one they find most suitable to their specific situation.

1. Escalating the matter to the Management

- When an Employee witnesses an unethical or illegal situation, he/she may escalate it to his/her manager.
- Any manager or support function to which such situation is reported has 24 hours to disclose it to the Compliance Team/ Legal Team/ Ethics Committee

2. Reporting to HRBP, Ethics Delegate and Compliance Team or other appropriate functions

If the Employee does not feel comfortable raising the issue to his/her manager, either because of an existing or potential conflict of interest or because of the fear of retaliation, he/she may report the matter to the HRBP, Ethics Delegate and the Legal Department and/or the Compliance Department.

The person who will receive such alert will have 24 hours to report the issue to the Compliance Team/ Ethics Committee, as mentioned above.

3. Report through Trust Line

Trust Line is Luminous's Professional Whistleblowing System. It is a confidential tool hosted by an external service provider. All the personal data entered onto this tool are subject to relevant Data Privacy laws.

Trust Line allows Employees and External Stakeholders to alert the Compliance Team/ Ethics Committee online, by entering all information concerning the case.

Please visit Trust Line at: <https://secure.ethicspoint.eu/domain/media/en/gui/105298/index.html>

The contact details of the key persons who oversee the Trust Charter Matters are as under:-

Ethics Committee:

Managing Director/CEO
Luminous Power Technologies Private Limited
Plot No. 150, Sector 44, Gurugram, Haryana 122003, India
Email: whistleblower@luminousindia.com

Compliance Head:

Trust Officer
Plot No- 150, Sector- 44, Gurgaon, Haryana – 122003, India
Email - compliance@luminousindia.com

ANONYMITY AND CONFIDENTIALITY

When alerting through Trust Line, the whistleblower has the possibility to do it anonymously. In this case, no one will know their identity, even members of the Compliance Team/ Ethics Committee.

However, a person raising a concern may disclose their identity, in which case their personal information will be kept confidential and only the Ethics Committee and appointed investigators will know their identity. Providing identity will help investigating the alert and dealing with any subsequent issues.

In case the Whistleblower is not able to provide specific information that covers at least some of the following points:

- a) Location of incident
- b) Date and time of incident
- c) Personnel involved
- d) Specific evidence
- e) Frequency of issues

In case the Whistleblower is unable to provide adequate information, the Company reserves the right to not investigate the reported matter.

INVESTIGATION

All Protected Disclosures under this Mechanism will be recorded and thoroughly investigated. The Company will carry out an investigation either by Investigating Officer or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Board of the Company. The Company shall ensure that the investigation is carried out in independent and unbiased manner.

The Ethics Committee may call for further information or particulars from the Whistleblower and at its discretion, and consider involving any other/additional Officer of the Company and/or Committee and / or an outside agency for the purpose of investigation.

The investigation by the Company would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Ethics Committee, may deem fit.

Chairman of the Ethics Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Ethics Committee shall take such disciplinary or corrective action as it may deem fit.

Any disciplinary or corrective action initiated against the subject as a result of the findings of an investigation pursuant to this Mechanism shall adhere to the applicable personnel or staff conduct and disciplinary procedures including giving the Subject a right to be heard and being informed of the outcome of the investigation. Further if deemed appropriate, the Whistleblower shall also be informed of the outcome of the investigation conducted by the Company.

A periodic report with number of complaints received under the Mechanism and their outcome shall be placed before the Ethics Committee.

A Whistleblower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Company shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

CONFIDENTIALITY

The Whistleblower, the Company, Ethics Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Mechanism, discuss only to the extent or with those persons as required under this Mechanism for completing the process of investigations and keep the papers in safe custody. Disciplinary action might be initiated against anyone found not complying with the below:

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

PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure in good faith under this Mechanism. Adequate safeguards against victimization of Whistleblower shall be provided and he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Mechanism.

The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law i.e. the Company cannot guarantee to keep the identity of the Whistleblower confidential in the event any disciplinary action results in the initiation of a legal action. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform Directors/employees/business associates of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning any Directors / employees / business associates

reporting a matter under this Mechanism.

DISQUALIFICATIONS

While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any repeated abuse of this protection will warrant disciplinary action. Protection under this Mechanism would not mean protection from disciplinary action arising out of repeated False or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make repeated Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted/reprimanded up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this Mechanism may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company rules and policies.

COMMUNICATION

Directors, Employees and business associates of the Company shall be informed of the Mechanism by publishing on the notice board and the website of the Company.

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 period of 7 (Seven) years or such other period as specified by any other law in force, whichever is more.

AMENDMENT

The Company reserves its right to amend or modify this Mechanism in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors, employees and business associates of the Company unless the same is not communicated in the manner described as above. Whilst, the Company has made best efforts to define detailed procedures for implementation of this Mechanism, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the Mechanism.

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