

# **WHISTLE BLOWER POLICY**



**LUCAS INDIAN SERVICE LIMITED**

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### **1. Preface**

1.1 There may sometimes be circumstances in which people feel uncomfortable raising issues directly with their managers/superiors. Hence we plan to provide a confidential "whistle blowing" mechanism throughout the Company which the LIS stakeholders i.e. employees, Service Providers, Contractors, dealers, customers as well as vendors. will be able to use to report to the management instances of unethical behaviour / acts, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

1.2 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects the stakeholders wishing to raise a concern about serious irregularities within the Company. The policy neither exempts employees from their duty of confidentiality in the course of their work, nor it is a route for taking up personal grievance / act with a malafide intentions against fellow employee.

1.3 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

1.4 The Company is committed to developing a culture where it is safe for stakeholders i.e. employees, Service Providers, Contractors, dealers, customers as well as vendors for LIS to raise concerns about any poor or unacceptable practice and any event of misconduct.

### **2. Policy**

2.1 The policy covers all permanent employees, consultant, fixed term employed / temporary/contract workmen / trainees, Service Providers, Contractors, dealers, customers as well as vendors for LIS as defined hereinafter.

2.2 The Policy has been drawn up so that stakeholders can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 7.

### **3. Definitions**

3.1 "Contractor" means an individual or a firm that provides goods or services to LIS.

3.2 "Customer" a person or firm that purchases goods or service from LIS

3.3 "Disciplinary Action" means any action that can be taken on the completion of / during the investigation proceedings including warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter by the Disciplinary Authority.

- 3.4 "Employee" means every employee of the Company whether working in India or abroad and includes contract employees, consultant, fixed term employment .
- 3.5 "Service Provider" means a firm or an entity that provides services to LIS.
- 3.6 "Unethical Act" means any act not being in accordance with the rules or standards for right conduct or practice, esp. the standards of a profession
- 3.7 "Vendor" means a vendor, or a supplier, who provides goods or services to LIS.
- 3.8 "Stakeholder" means Shareholders, Directors, Employees, Service Providers, Contractors, dealers, customers as well as vendors who have stake / interest in the affairs of LIS
- 3.9 "Protected Disclosure" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may be unethical or improper activity.
- 3.10 "Subject" means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.11 "Whistle Blower" is someone who makes a Protected Disclosure under this Policy.
- 3.12 "Whistle Officer" or "Compliance Officer" or "Committee" or "Investigator" means an officer or Committee of persons who is/are nominated/appointed to conduct detailed investigation.
- 3.13 "Ombudsperson" will be a full-time senior officer./ ex senior officials of the company/ any person well respected for his/her integrity, independence and fairness from the Company, for the purpose of receiving all complaints under this Policy and ensuring appropriate action. In the first instance, the President shall appoint this Ombudsperson. The President shall have the authority to change the Ombudsperson from time to time in consultation / approval of the Board.
- 3.14 "Management Committee" means a group of officers nominated or appointed by the President, from the Company, for the purpose of deliberation of matters referred by the Ombudsperson.

#### **4. The Guiding Principles**

To ensure that this Policy is adhered to, and to assure that the concern/complaint will be acted upon seriously, the Company will:

- 4.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- 4.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- 4.3 Ensure complete confidentiality;
- 4.4 Not attempt to conceal evidence of the Protected Disclosure;
- 4.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;

- 4.6 Provide an opportunity of being heard to the persons involved especially to the Subject;
- 4.7 Ensures employees have the right to directly report to the Ombudsperson about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct without necessarily informing their supervisors;
- 4.8 Ensures Employees should be provided with direct access to the Ombudsperson as and when necessary;
- 4.9 Ensures this right of access should be communicated to all employees through means of internal circulars, etc. The employment and other personnel policies of the Company shall contain provisions protecting "Whistle Blowers" from unfair termination and other prejudicial employment practices;
- 4.10 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. 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 by the Whistle officer or Compliance officer or Committee;
- 4.11 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;
- 4.12 Ombudsperson may at his discretion recommend for such reward to the whistleblower for information furnished which resulted in savings to the Company. However, the whistleblower cannot demand for reward as a matter of right.
- 4.13 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 malafide intention;
- 4.14 Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be malafide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/ Committee would reserve its right to take/recommend appropriate disciplinary action;

## **5. Procedure**

- 5.1 All Protected Disclosures should be addressed to the Ombudsperson of the Company. The contact details of the Ombudsperson are as under:

### **The Ombudsperson**

Lucas Indian Service Ltd.,  
28, Poomagal Main Road,  
Behind Olympia Park,  
Ekkattuthangal,  
Chennai 600 032.  
Email id: ombudsperson@lis.co.in

- 5.2 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, Hindi or in the regional language of the place of employment of the Whistle Blower.

- 5.3 The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Ombudsperson shall detach the covering letter and discuss the Protected Disclosure with and if deemed fit, forward the Protected Disclosure for investigation .
- 5.4 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 the urgency of a preliminary investigative procedure.
- 5.5 The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Ombudsperson as it would not be possible for it to interview the Whistle Blowers.
- 5.6 If initial enquiries by the Ombudsperson indicate that the concern / complaint has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is reduced in writing and documented.
- 5.7 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/Committee / Compliance officer/ Investigator nominated by the Ombudsperson for this purpose. 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 made.

## **6. Investigation**

- 6.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle Officer/Compliance Officer/Investigator/Committee .
- 6.2 Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and by virtue of appointment by the Company when acting within the course and scope of their investigation. 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 as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- 6.3 The decision to conduct an investigation taken by the Ombudsperson 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.
- 6.4 The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 6.5 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.
- 6.6 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.
- 6.7 Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or Committee and/or the Whistle Blower.

- 6.8 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.
- 6.9 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.
- 6.10 The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure. However the Ombudsperson shall have the powers to grant or extend time limit wherever it is necessary.
- 6.11 On submission of report, the Whistle Officer/ Compliance officer /Investigator/Committee shall discuss the matter with Ombudsperson who shall either:
- i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /or any other investigators \_and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
  - ii) In case the Protected Disclosure is not proved, close the matter;
- Or
- iii) Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Committee of Directors or Management Committee with proposed disciplinary action/counter measures. The Committee of Directors or the Management Committee as the case may be, if thinks fit, may further refer the matter to the Board of Directors for necessary action with its proposal. In case the Board of Directors thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.

## **7. Coverage of Policy**

7.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of trust
3. Breach of contract
4. Negligence causing substantial and specific danger to public health and safety e.g. the potential exposure of workers or the public to hazards from the storage, use and potential release of hazardous materials and industrial waste, safety hazards, disease vector caused due to stagnation of water, smoking near inflammable material etc.
5. Manipulation of company data/records
6. Financial irregularities, including fraud, or suspected fraud
7. Criminal offence and non compliance of statutory requirements under the law of

land.

8. Pilferation of confidential/propriety information

9. Deliberate violation of law/regulation

10. Wastage/misappropriation of company funds/assets and causing avoidable loss.

11. Breach of employee Code of Conduct or Rules or Standing Orders of the Company

12. Any other unethical, biased, favoured, imprudent event

7.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

## **8. Protection**

8.1 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 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. 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.

8.2 The identity of the Whistle Blower shall be kept confidential.

8.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

## **9. Secrecy/Confidentiality**

The Whistle Blower, the Subject, the Whistle Officer/Investigator/ Compliance officer/ Committee and every one 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 any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

## **10. Reporting**

The Ombudsperson shall submit a report to the management on a quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

The Company shall annually affirm that it has not denied any personnel access to the Ombudsperson 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 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.

**11. 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.

**12. Amendment**

The President in consultation/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 Employees unless the same is notified to the Employees in writing. The above shall form part of the present employment and other personnel policies of the Company.