

VIGIL MECHANISM

We have formulated a Policy that lays down the principles and standards that should govern the actions of our Company and their employees. Any actual or potential violation of the policy, would be a matter of serious concern for the Company. Section 177(9) of the Companies act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for mandatory establishment of vigil mechanism for the Directors and employees of the Company to report their genuine concerns in the prescribed manner. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for the establishment of a mechanism called Whistle Blower Policy by a listed entity, enabling stakeholders including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices to the management. It will also enable employees to report to the management instances of fraud or violation of the Company's code of conduct. In order to comply with the mandatory requirement of the above provisions, it is necessary to formulate a specific vigil mechanism/whistle blower policy for the company for use by its Directors, Officers and Employees.

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

1. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
3. **“Policy”** means the Vigil Mechanism/ Whistle Blower policy.
4. **“Investigator(s)”** mean the person(s) authorised, appointed, consulted or approached by the Audit Committee and includes the Auditors of the Company and the Policy.
5. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
6. **“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.
7. **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

SCOPE

The Whistle Blower's role is to report with reliable information regarding any irregularity and/ or fraud and any other wrongful conduct within the organisation. It gives a framework to the employees, directors, customers, vendors and/or third party intermediaries to directly approach the chairman of the audit committee raise their concern. They are not required or expected to act as investigator(s) or finder(s) 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 Audit Committee or the Investigator(s). Protected Disclosure will be appropriately dealt with by the Audit Committee.

APPLICABILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy.

DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are given complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will attract disciplinary action. 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. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, 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/ Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

PROCEDURE

All Protected Disclosures should be addressed to the Chairman of the Audit Committee at chairman.auditcommittee@lalchandaniplab.com.

Employees may raise “Reportable Matter” or “Alleged Misconduct” within 30 days after becoming aware of the same to the Whistle blower Committee.

The Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised. The Protected Disclosures can also be reported verbally, either personally or over telephone to the Chairman of the Audit Committee, which should be followed by a written communication. The written communication 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. The Chairman of the Audit Committee shall discuss the Protected Disclosure with Members of the Audit Committee. If the Whistle Blower does not wish to reveal his/her identity he/she may feel free to do so without revealing identity. However the disclosure has to be complete and supported by facts and figures to enable proper scrutiny and investigation. 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 enable proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

Process of Inquiry/ Investigation

The Whistle blower Committee shall meet and discuss every “Reportable Matter” or “Alleged Misconduct” within seven days of receipt of said complaint and shall make an assessment or decide on enquiries or investigations to be made at the preliminary stage for validating and assessing the alleged misconduct / reportable matter. Where initial inquiries indicate that further investigation is necessary, an Investigation Team shall be constituted for the same.

DECISION

If result of an investigation concludes that an improper or unethical act has been committed, the Audit Committee shall recommend 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 personnel or staff conduct and disciplinary procedures.

PROTECTION

Complete protection will be given to the Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, 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 identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

RETENTION OF DOCUMENTS

All written Protected Disclosures along with the results of investigation relating thereto shall be retained by the Company for a minimum period of eight years.

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 unless the same is notified to the Employees in writing.