



**VIGIL MECHANISM AND
WHISTLE BLOWER POLICY**



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1. INTRODUCTION

- 1.1 Lotus Chocolate Company Limited (“Lotus”) is committed to conducting business with integrity, including in accordance with all applicable laws and regulations. Lotus's expectations with respect to business ethics are contained in the Code of Conduct.
- 1.2 Employees, directors and stakeholders of the Lotus are required to report actual or suspected violations of applicable laws and regulations and the Code of Conduct, and Lotus has an obligation to ensure that there is a procedure in place to enable the reporting of such violations.

2. SCOPE AND EXCLUSIONS

- 2.1 This Vigil Mechanism and Whistle-blower Policy (the “Policy”) sets out the procedure to be followed when making a disclosure.
- 2.2 This Policy applies to all employees, directors and stakeholders of the Lotus regardless of their location. Violations will result in appropriate disciplinary action. The employees and directors are required to familiarize themselves with this Policy, and seek advice from the Whole-time Director / Chief Executive Officer or in his/her absence HR Head, if any questions arise.

3. TERMS AND DEFINITIONS

- 3.1 “**Audit Committee**” means the committee constituted by the Board of Directors of Lotus Chocolate Company Limited in accordance with Section 177 of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has responsibility for supervising the development and implementation of this Policy.
- 3.2 “**Protected Disclosure**” means the disclosure of a Reportable Matter in accordance with this Policy.
- 3.3 “**Reportable Matter**” means a genuine concern concerning actual or suspected:
 - i. fraudulent practices, such as improperly tampering with Lotus’s books and records, or theft of company property;
 - ii. corruption, including bribery and money laundering;
 - iii. breaches of the Code of Conduct.

Please note that the following complaints are not Reportable Matters for purposes of this Policy:



- a. Complaints pertaining to employee compensation and performance evaluation or any other HR related issue which does not indicate violation of the Code of Conduct. They need to be taken up with HR.
- b. Customer Complaints which can be dealt with under the alternate redressal mechanism established for that purpose.
- c. Complaints regarding sexual harassment at workplace which can be dealt with under the alternate redressal mechanism established for that purpose.
- d. Complaints made without the following mandatory information:
 - i. Name, designation, and location of the Subject(s)
 - ii. Detailed description of the incident
 - iii. Location and time/duration of the incident
 - iv. Specific evidences or source of evidences

3.4 **"Whistle-blower"** means any employee, director or stakeholder who makes a Protected Disclosure under this Policy.

4. POLICY

4.1 RESPONSIBILITY TO REPORT

Protected Disclosures are to be made whenever an employee, director or stakeholder becomes aware of a Reportable Matter. The Protected Disclosure should be made promptly upon the employee, director or stakeholder becoming aware of the Reportable Matter. Reportable Matters should be made pursuant to the reporting mechanism described in Section 4.2 below.

The role of a Whistle-blower is limited to making a Protected Disclosure. A Whistle-blower should not engage in investigations concerning a Reportable Matter that is the subject of a Protected Disclosure. Neither should a Whistle-blower become involved in determining the appropriate corrective action that might follow from the submission of a Protected Disclosure.

4.2 REPORTING MECHANISM

4.2.1 All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after he/she becomes aware of the same so as to ensure a clear understanding of the issues raised. Protected Disclosure should be submitted to the Compliance Officer by way of an email at vigil@lotuschocolate.com or to the Chairman of the Audit Committee in exceptional cases at auditcommittee@lotuschocolate.com.

4.2.2 To enable the proper investigation of any Reportable Matter, a protected disclosure should include as much information as possible concerning the



Reportable Matter. To the extent possible, the following information should be provided:

- a) the nature of the Reportable Matter (for example, if the Reportable Matter concerns an alleged violation of the Code of Conduct, please refer to the provision of the Code of Conduct that is alleged to have been violated);
- b) the names of the employee, director or stakeholder to which the Reportable Matter relates (for example, please provide the name of the business unit that is alleged to have violated the Code of Conduct); and
- c) the relevant factual background concerning the Reportable Matter (for example, if the Reportable Matter concerns a violation of the Code of Conduct, please include information about the circumstances and timing of the violation).

4.2.3 To enable further investigation of Reportable Matter, Whistle-blowers are strongly encouraged to provide their name and contact details whenever they make a protected disclosure under this Policy.

4.2.4 All Protected Disclosures are taken seriously and will be promptly scrutinized and investigated by Lotus.

4.2.5 The decision to conduct an investigation is not an acceptance of the accusation and is to be treated as part of the neutral fact-finding process.

4.2.6 Everyone working for or with the Lotus has a duty to cooperate in the investigation of reports of violations and other incidental things.

4.3. PROTECTION OF WHISTLE-BLOWERS:

4.3.1 If a Whistle-blower does provide his or her name when making a protected disclosure, Lotus will treat as confidential the identity of the Whistle-blower and the fact that a protected disclosure has been made, except as otherwise required by law and to the extent possible while allowing an investigation to proceed.

4.3.2 A Whistle-blower may make a protected disclosure without fear of retaliation or intimidation. Lotus prohibits its employees from engaging in retaliation or intimidation that is directed against a Whistle-blower. Employees who engage in retaliation or intimidation in violation of this Policy will be subject to disciplinary action, which may include dismissal from employment.

4.3.3 If a Whistle-blower has been found to have made a deliberately false protected disclosure that Whistle-blower may be subject to disciplinary action, which may include dismissal.



4.4. ROLE OF THE AUDIT COMMITTEE

4.4.1 The Audit Committee is responsible for supervising the development and implementation of this Policy. The Audit Committee shall periodically review the Policy to consider whether amendments are necessary, and, if so, it shall communicate any such amendments to all employees as soon as possible.

4.4.2 The Audit Committee shall receive reports concerning the investigation and resolution of Protected Disclosures made pursuant to the Policy on a quarterly basis as per the guidelines given by the Audit Committee. In addition, the Audit Committee shall have responsibility for coordinating the investigation of any serious Protected Disclosures concerning the alleged violation of laws or regulations that apply to Lotus.

4.5. CONFLICTS OF INTEREST

Where a protected disclosure concerns any member of the Audit Committee, that member of the Audit Committee shall be prevented from acting in relation to that protected disclosure. In case of doubt, the Chairman of the Board of Directors shall be responsible for determining whether a member of the Audit Committee must recuse himself or herself from acting in relation to a Protected Disclosure.

4.6 QUESTIONS

If you have any questions concerning this Policy or the Code of Conduct, please contact:

The Whole-time Director or
Chief Executive Officer or in absence,
HR Head

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