

LAKME INVESTMENT AND FINANCE LIMITED

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WHISTLE BLOWER POLICY / VIGIL MECHANISM POLICY

Board Approval Date: 20.03.2026

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1. PREAMBLE

Lakme Investment and Finance Limited (“the Company”) is committed to maintaining the highest standards of integrity, ethical conduct, transparency, accountability, and good corporate governance in all its business activities. The Company believes that a culture of openness and ethical behavior is essential for safeguarding the interests of its stakeholders, maintaining public confidence, and ensuring sustainable business growth.

The Company recognizes that employees, directors, consultants, vendors, customers, and other stakeholders may become aware of actual or suspected instances of unethical conduct, fraud, corruption, misconduct, abuse of authority, violation of laws, regulatory non-compliance, financial irregularities, or other improper activities that may adversely affect the Company. It is therefore important to provide a secure and confidential mechanism through which such concerns can be reported without fear of retaliation, victimization, discrimination, or adverse consequences.

This Whistle Blower Policy / Vigil Mechanism Policy has been established to provide a formal framework for reporting genuine concerns regarding actual or suspected wrongdoing within the Company. The Policy aims to encourage responsible reporting of concerns in good faith and to ensure that all disclosures are investigated fairly, objectively, independently, and in a timely manner. The Policy has been formulated in accordance with the applicable provisions of the Companies Act, 2013, the rules framed thereunder, and other applicable regulatory requirements. It provides adequate safeguards against victimization of whistle blowers and ensures direct access, where necessary, to the Chairperson of the Audit Committee or such other authority designated by the Board of Directors.

The Company shall maintain strict confidentiality of the identity of the whistle blower and the information disclosed, to the extent permitted by law and consistent with the requirements of a fair investigation. Any act of retaliation against a whistle blower making a disclosure in good faith shall be treated as a serious violation and may result in disciplinary action.

Through this Policy, the Company seeks to foster an environment of trust, ethical conduct, transparency, and accountability, enabling all stakeholders to raise concerns responsibly and contribute towards protecting the integrity, reputation, assets, and long-term interests of the Company.

2. OBJECTIVE

The objectives of this Policy are to:

- a. Promote a culture of integrity, transparency and accountability.
- b. Encourage timely reporting of actual or suspected misconduct.
- c. Facilitate early detection and prevention of fraud and unethical behaviour.
- d. Strengthen the Company's internal control and governance framework.
- e. Protect whistle blowers from retaliation.
- f. Ensure compliance with applicable laws, RBI regulations and internal policies.
- g. Safeguard the interests, reputation and assets of the Company.
- h. Provide a transparent process for investigation and resolution of concerns.
- i. Promote responsible business conduct and ethical decision-making.

3. SCOPE

This Policy shall apply to:

- a. Directors;
- b. Independent Directors;
- c. Key Managerial Personnel;
- d. Permanent employees;
- e. Contractual employees;
- f. Temporary employees;
- g. Consultants;
- h. Vendors;
- i. Service providers;
- j. Recovery agencies;
- k. Business Correspondents;
- l. Loan Service Providers (LSPs);
- m. Auditors;
- n. Legal advisors;
- o. Valuers;
- p. Customers and stakeholders interacting with the Company.

4. REGULATORY FRAMEWORK

This Policy is framed in accordance with:

- a. Companies Act, 2013;
- b. Rules framed thereunder;
- c. RBI Directions applicable to NBFCs;
- d. Corporate Governance requirements;
- e. Prevention of Corruption laws;
- f. Prevention of Money Laundering Act, 2002;
- g. Information Technology Act, 2000;
- h. Applicable labour and employment laws;
- i. Other applicable regulatory requirements.

5. DEFINITIONS

a) Whistle Blower

Any person reporting genuine concern regarding misconduct under this Policy.

b) Protected Disclosure

Any communication made in good faith relating to suspected wrongdoing.

c) Subject

Person against whom complaint is made.

d) Ethics Officer / Compliance Officer

Officer designated to receive and coordinate complaints.

e) Retaliation

Any adverse action taken against a whistle blower for making a protected disclosure.

6. REPORTABLE MATTERS

The following matters may be reported under this Policy:

Financial Misconduct

- a. Fraud;
- b. Misappropriation of funds;
- c. Embezzlement;
- d. Forgery;
- e. Accounting irregularities;
- f. Manipulation of books and records;
- g. Diversion of funds.

Regulatory Violations

- a. RBI non-compliance;
- b. Statutory violations;
- c. Breach of regulatory conditions;
- d. Non-compliance with internal policies.

Ethical Misconduct

- a. Corruption;
- b. Bribery;
- c. Conflict of interest;
- d. Abuse of authority;
- e. Unethical business practices.

Lending and Recovery Misconduct

- a. Loan appraisal manipulation;
- b. Unauthorized loan sanction;
- c. Related party transaction violations;
- d. Customer exploitation;
- e. Mis-selling;
- f. Coercive recovery practices;
- g. Breach of Fair Practices Code.

Information Security Violations

- a. Data theft;
- b. Data leakage;
- c. Unauthorized access;
- d. Cybersecurity breaches;
- e. Misuse of customer information.

Workplace Misconduct (not limited to workplace only)

- a. Harassment;
- b. Discrimination;
- c. Victimization;
- d. Retaliation;
- e. Serious violations of workplace conduct standards.

AML and Fraud Related Concerns

- a. Suspicious transactions;
- b. Identity fraud;
- c. Money laundering concerns;
- d. Forged documentation;
- e. KYC manipulation.

7. MATTERS EXCLUDED

The following matters shall ordinarily not be covered under this Policy:

- a. Salary disputes;
- b. Performance appraisal disputes;
- c. Leave matters;
- d. Transfer decisions;
- e. Routine HR grievances;
- f. Personal employment disputes.

Such matters shall be addressed through the Company's HR grievance mechanism.

8. REPORTING CHANNELS

Protected disclosures may be submitted through any of the following channels:

Email : compliance@lakmefinance.com

Written Complaint

To:

Compliance Officer / Ethics Officer

Lakme Investment and Finance Limited

Corporate Office : No.1, Padiyur Road, Pudupatti, Dindigul – 624 005

Direct Reporting

The whistle blower may directly approach:

- Managing Director;
- Chairperson of Audit Committee;
- Independent Director;
- Board of Directors;

where circumstances warrant escalation.

9. CONTENT OF DISCLOSURE

The disclosure should contain:

- a. Nature of concern;
- b. Names of persons involved;
- c. Relevant dates and events;
- d. Supporting documents;
- e. Evidence available;
- f. Any witnesses known to the whistle blower.

Complaints should be made in good faith.

10 . ANONYMOUS COMPLAINTS

Anonymous complaints may be considered where:

- a. Sufficient evidence is provided;
- b. The matter involves significant fraud, misconduct or regulatory breach;
- c. Preliminary verification indicates substance.

Frivolous anonymous complaints may be disregarded.

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11 . INVESTIGATION PROCESS

Step 1: Preliminary Review : Within 7 working days

Determine:

- Whether complaint falls within policy scope;
- Whether investigation required.

Step 2: Investigation

Formal investigation may involve:

- Internal Audit
- Compliance
- External experts
- Legal advisors

Step 3: Findings

Investigation report shall include:

- Facts established
- Evidence reviewed
- Recommendations
- Corrective action

Step 4: Closure

Complaint should ordinarily be closed within: **90 days** (or longer for complex matters)

12. PROTECTION TO WHISTLE BLOWERS

No whistle blower shall be subjected to:

- a. Termination;
- b. Suspension;
- c. Demotion;
- d. Harassment;
- e. Discrimination;
- f. Threats;
- g. Victimization;
- h. Adverse employment consequences.

Any retaliatory action demonstrably connected with the complaint under this policy shall constitute misconduct and may result in disciplinary action.

13. CONFIDENTIALITY

The Company shall maintain confidentiality of:

- a. Identity of the whistle blower;
- b. Identity of witnesses;
- c. Investigation records;
- d. Findings and recommendations.

Disclosure shall be permitted only:

- a. Where required by law;
- b. Regulatory requirements;
- c. Judicial proceedings;
- d. Investigation needs.

14. FALSE OR MALICIOUS COMPLAINTS

Knowingly false, frivolous or malicious complaints may attract disciplinary action.

However: Unsubstantiated complaints made in good faith shall not attract punishment.

15. RECORD RETENTION

Records relating to complaints shall be maintained for: **Minimum 8 years** or longer where required by law.

16. REPORTING TO BOARD

Quarterly summary to Audit Committee/Board shall include:

- a. Complaints received;
- b. Nature of complaints;
- c. Investigation status;
- d. Actions taken;
- e. Pending cases.

The existing policy contains quarterly reporting but Board oversight should be formalised.

17. POLICY REVIEW

Policy shall be reviewed Annually; or Upon regulatory changes.

18. BOARD APPROVAL

This Policy is approved by the Board on the meeting held on 20.03.2026