

# **WHISTLE BLOWER POLICY**

**OF**

**LOTUS EYE HOSPITAL AND INSTITUTE LIMITED**

**(As adopted by Board on 24th May 2014)**

## **1. PREFACE**

- 1.1 Lotus Eye Hospital and Institute Limited or the Company ("LOTUS" or "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.
- 1.2 The Company is committed to developing a culture where it is safe for any Whistle Blower to raise concerns about any unscrupulous or unacceptable practice and any event of misconduct. The alleged misconduct may be classified in many ways; namely, violation of a law, rule, regulation and / or a direct threat to public interest, such as health and safety violations and corruption
- 1.3 Section 177(9) of the Companies Act, 2013, Rule 7 of the Companies (Meetings of Board and Powers) Rule, 2014 read with Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements 2015 require every listed companies to have a "Whistle Blower Policy" and establish a "Vigil mechanism" for directors and employees to report their genuine concerns and grievances.
- 1.4 Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to direct access to the Chairman of Audit Committee of the Company or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases..
- 1.5 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism.
- 1.6 The Policy neither releases Whistle Blowers from their duty of confidentiality in the course of their work nor is to be misused to surface a grievance about a personal work-related situation.
- 1.7** The Policy will be posted on the Company's website at **[www.lotuseye.org](http://www.lotuseye.org)**

## **2 APPLICABILITY**

- 2.1 The Policy is applicable to all Employees and Directors of the Company and its subsidiary/ies.
- 2.2 This Policy has been drawn up so that Whistle Blowers can make Protected Disclosure under the Policy. The Protected Disclosure may be areas of concern in respect of the Company covered by this Policy and summarized in paragraph 6.

## **3 DEFINITIONS**

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

- 3.2 **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the Section 177 of the Companies Act 2013 read with regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) 2015 Clause 49 of the Listing Agreement with the Stock Exchanges.
- 3.3. **"Board" / "Board of Directors"** means board of directors of the Company.
- 3.4 **"Code of Conduct"** means code applicable to the directors and senior management personnel. As regards other employees, it shall be as notified by the Managing Director or HR department from time to time.
- 3.5 **"Company / LOTUS"** means Lotus Eye Hospital and Institute Limited and its subsidiary/ies.
- 3.6 **" Disciplinary Action"** means any action that can be taken on the completion of / during the investigation proceedings, including not limited to, a warning, recovery of financial losses incurred by the Company, suspension / dismissal from the services of the Company or any such action as is deemed to be fit considering the gravity of the matter.
- 3.7. **"Directors"** refers to the members of the Board of Directors of the Company at any point of time.
- 3.8 **"Employee"** means every employee of the Company including the Directors in the employment of the Company or its subsidiaries.
- 3.8 **"Investigators"** mean those persons authorised, appointed, consulted or approached by the Chairman of Audit Committee and includes the auditors of the Company and the police and private detective agencies and Reference checking agencies.
- 3.9 **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity with respect to the Company. Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion, and should contain as much specific information as possible for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- 3.10. **"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.
- 3.11. **"Whistle Blower"** means an Employee or Director making a Protected Disclosure under this Policy.

#### **4 SCOPE**

- 4.1 This Policy is an extension of the Company's Code of Conduct for Directors and Senior Management Personnel. 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.

- 4.2 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 Chairman of Audit Committee or the Investigators.
- 4.3 Protected Disclosure shall be appropriately dealt with by the Chairman of the Audit Committee or Chief People Officer as the case may be.

## **5 DISQUALIFICATIONS**

- 5.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimisation as set out here, any abuse of this protection will warrant disciplinary action.
- 5.2 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.
- 5.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

## **6 COVERAGE OF THE POLICY**

- 6.1 The Policy covers Protected Disclosures being malpractices and events which have taken place / suspected to take place involving:
  - a. Abuse of Authority
  - b. Breach of Employee Code of Conduct / Rules
  - c. Breach of Trust
  - d. Criminal Offence having repercussion on the Company or its reputation
  - e. Financial irregularities, including fraud or suspected fraud
  - f. Manipulation of Company data / records / books of accounts
  - g. Misappropriation or misuse of Company funds / Assets
  - h. Negligence, causing injury / loss of life and / or wastage of property
  - i. Non- compliance of statutory requirements
  - j. Pilferage of confidential / proprietary information
  - k. Breach of confidentiality and sharing proprietary information
  - l. Theft or pilferage of intellectual property rights of the company
  - m. Wastage of material / assets, misappropriation of funds
  - n. Bribery, kickbacks and other business corrupt practices
  - o. Any other unethical, imprudent deed / behavior

- 6.2 Policy should not be used as a route for raising malicious or unfounded allegations against colleagues.

## **7 PROTECTION**

- 7.1 Whistle blowers are advised not to remain anonymous so that the Protected Disclosures could be investigated thoroughly. The identity of the Whistle Blower will be protected at all times, except in cases such identity is required to be disclosed to law enforcing agencies, judicial forums or any other statutory authority for effective investigation. 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 Blowers. Complete protection will, therefore, be given to 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 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.
- 7.2 A Whistle Blower may report any violation of the above Clause to the Chairman of Audit Committee, who shall investigate into the matter and recommend suitable action to the management.
- 7.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- 7.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 7.5 Protection to Whistle Blower under this Policy shall be available provided that Protected Disclosure is:
- 7.5.1 made in good faith
  - 7.5.2 that the Whistle Blower has reasonable information or documents in support of the matter; and
  - 7.5.3 Not for personal gain or animosity against the Subject.
  - 7.5.4 Not for needless publicity or to defame the subject

## **8 PROCEDURE FOR GETTING PROTECTED DISCLOSURES**

- 8.1. All Protected Disclosures concerning financial / accounting matters all Protected Disclosures by the Directors and all protected disclosures concerning employees at the level of general manager and above should be addressed to the Chairman of Audit Committee of the Board for investigation.
- 8.2 In respect of protected disclosures concerning employees other than those mentioned in clause 8.1 should be addressed to Chief People Officer with a copy of the same sent to the Chairman of the Audit Committee of the Board for investigation.

8.3. The contact details of the Chairman of the Audit Committee are as under:

Mr. Alagiriswamy, Audit Committee Chairman,  
Lotus Eye Hospital and Institute Limited,  
770/12, Avinashi Road,  
Civil Aerodrome Post,  
Coimbatore – 641 014  
Mobile No, 9840922614  
Mail id:  
[rs@rscompany.co.in](mailto:rs@rscompany.co.in)

The contact details of the Chief People Officer are as under:

Mr. R. Ravichandran, H.R. Manager,  
Lotus Eye Hospital and Institute Limited,  
770/12, Avinashi Road,  
Civil Aerodrome Post,  
Coimbatore – 641 014  
Mobile No. 7708111049  
Mail id: hrm@lotuseye.org

8.4 If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, it should be forwarded to Chief People Officer and to the Chairman of Audit Committee for further appropriate action. In case of Protected Disclosures inadvertently forwarded to Chief People Officer instead of Chairman of the Audit Committee of the Board or vice-versa, it shall be the duty of such recipient to send or re-direct the same to the appropriate recipient in terms of this Policy.

Appropriate care must be taken to keep the identity of the Whistle Blower confidential, unless the disclosure is required by law or required by statutory or law enforcing authorities or judicial authority to disclose the same.

8.5. 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, Tamil or in the regional language of the place of employment of the Whistle Blower. This Policy does not encourage anonymous disclosure of Protected Disclosures.

8.6 The Protected Disclosure should be forwarded by e-mail or under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall take steps to hide the identity of the Whistle Blower and forward only the Protected Disclosure to the Investigators appointed by the Audit Committee for investigation.

8.7 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.

8.8 For the purpose of providing protection to the Whistle Blower, the Whistle

Blower should disclose his / her identity only in the covering letter forwarding such Protected Disclosure.

## **9 INVESTIGATION**

- 9.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chief People Officer / Chairman of Audit Committee of the Company, as the case may be, who will investigate / oversee the investigations under the authorization of the Audit Committee.
- 9.2 The Chief People Officer / Chairman of Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- 9.3 The decision to conduct an investigation taken by the Chief People Officer / Chairman of Audit Committee 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.
- 9.4 The identity of a Subject(s) or person(s) in the complaint and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 9.5 Subjects or person(s) identified in the complaint will normally be informed of the allegations at the outset, of a formal investigation and have opportunities for providing their inputs during the investigation.
- 9.6 Subjects or person(s) identified in the complaint shall have a duty to co-operate with the Chief People Officer / Chairman of Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 9.7 Subjects or person(s) identified in the complaint shall have a right to consult with a person or persons of their choice, other than the Chief People Officer / Investigators and / or members of the Audit Committee and / or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.
- 9.8 Subjects or person(s) identified in the complaint have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- 9.9 Unless there are compelling reasons not to do so, Subjects or person(s) identified in the complaint will be given an 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.
- 9.10 Subjects or person(s) identified in the complaint have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject or person(s) identified in the complaint should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject or the person(s) identified in the complaint and the Company.

- 9.11 The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## **10 INVESTIGATORS**

- 10.1. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chief People Officer / Audit Committee, as the case may be, when acting within the course and scope of their investigation.
- 10.2 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 behaviour and observance of legal and professional standards. Interested investigators shall not be part of the investigation.
- 10.3 Investigations will be launched only after a preliminary review by the Chairman of Audit Committee or the Chief People Officer, as the case may be, which establishes that:
- 10.3.1 the alleged act constitutes an improper or unethical activity or conduct and
- 10.3.2 the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the matter concerned is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

## **11 DECISION**

- 11.1 If an investigation leads the Chief People Officer / Chairman of Audit Committee to conclude that an improper or unethical act has been committed, the Chief People Officer / Chairman of Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chief People Officer / Chairman of Audit Committee may deem 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.

## **12 SECRECY / CONFIDENTIALITY**

- 12.1 The Whistle Blower, the Subject, the Senior Officer(s) and every one involved in the process shall:
- 12.1.1 maintain complete secrecy / confidentiality of the matter under this Policy
- 12.1.1 not discuss the matters under this Policy in any informal / social gatherings / meetings
- 12.1.2 discuss only to the extent or with the persons required for the purpose of completing the process and investigations as directed by Audit Committee
- 12.1.3 not keep the papers unattended anywhere at any time
- 12.1.4 keep the electronic mails / files under the pass word

If anyone is found not complying with the above, he / she shall be liable for such Disciplinary Action as is decided by the Committee or chairperson or Managing Director, as the case may be.

### **13. REPORTING**

- 13.1 The Chief People Officer shall submit a report to the Chairman of Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 13.2 The Company shall annually affirm that it has not denied any personnel access to the Whistle Blower 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.

### **14 RETENTION OF DOCUMENTS**

- 14.1 All Protected Disclosures in writing or documented along with the results of related investigation shall be retained by the Company for a minimum period of eight years.

### **15 AMENDMENT**

- 15.1 The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason. However, no such amendment or modification will be binding on the Employees and Directors unless it is notified to the Employees in writing.

24th May 2014

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