

LOVABLE LINGERIE LIMITED

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Adopted by the Board of Directors on November 10, 2014

Amended by Board of Directors on February 13, 2020

PREFACE

a. 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. Towards this end, the Company has adopted the Lovable Code of Conduct (“the Code”), which sets forth legal and ethical standards of conduct for Directors and Senior Managerial Personnel (comprising all members of core management team one level below the executive Directors and all the functional heads,) of Lovable Lingerie Limited ('Lovable' or the 'Company') and ensures compliance with legal requirements under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”). Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

Directors and Employees are often the first to realize that there may be something not in order requiring redressal by the Company. Lovable Lingerie Limited (LLL) is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, LLL Directors and Employees, with concerns about any aspect of the Company, are encouraged to come forward and voice their concerns to the Management.

This includes possible accounting or financial reporting violations, insider trading, bribery, or violations of the anti-retaliation aspects of this Policy. Consult the Company’s Code of Conduct and Ethics for a more detailed description of potential violations and other areas of particular concern. Retaliation includes adverse actions, harassment, or discrimination in your employment relating to your reporting of a suspected violation.

Whistle Blowing Policy is a device to help alert and responsible individuals to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or abrasion or irregularity in the Company practices which is not in line with LLL’s Code of business, Principles or the law of the land, without any fear or threat of being victimized. Whistle Blowing Policy expects Employees and Directors to be the guardian of LLL’s core values and the corporate purpose. The spirit of the Policy is to foster a sense of collective responsibility in safeguarding the business interests. The Policy provides an avenue to report exceptional matters directly to the Chairman of the Audit Committee. Through this Policy, a vigil mechanism is established for every employee to report genuine concerns.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles to the Management is reinforced by the Whistle Blowing Policy. In the process, it is also ensured that the Policy is not misused.

b. Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –

- 1) Every listed company;
- 2) Every other company which accepts deposits from the public;
- 3) Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called, Whistle Blower Policy for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.

Effective from April 01, 2019, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 requires that every listed company shall have a whistle-blower policy and shall make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

c. In compliance of the above requirements, Lovable Lingerie Ltd., (LLL), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

DEFINITIONS

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

- a. **“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 and read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”).
- b. **“Employee”** means every employee of the Company including the directors in the whole time employment of the Company.
- c. **“Code”** means the Lovable Code of Conduct.
- d. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the MD/ Chairman of the Audit Committee and includes the auditors of the Company and the police.
- e. **“Protected Disclosure”** means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity.
- f. **“Subject”** means a person or a group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g. **“Whistleblower”** means an Employee or director making a Protected Disclosure under this Policy.

h. "**Company**" means the LOVABLE LINGERIE LIMITED and all its offices.

i. "**Director**" means a Director appointed to the Board of the Company.

j. "**Unpublished Price Sensitive Information**" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: – (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; (v) changes in key managerial personnel; and (vi) material events in accordance with the listing agreements.

AIM AND SCOPE OF THE POLICY

(a) This policy aims to:

- 1) Provide avenues for Employees and Directors to raise concerns and receive feedback on any action taken;
- 2) Provide avenue for Employees and Directors to report breach of Company's policies;
- 3) Reassure Employees and Directors that they will be protected from reprisals or victimization for Whistle Blowing in good faith.

(b) There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This Whistle Blowing Policy is intended to cover concerns that fall outside the scope of other procedures. That concern may be about an act or omission that:

- 1) is unlawful or in breach of any law;
- 2) is against the Company's Policies;
- 3) falls below established standards or practices; or
- 4) amounts to improper conduct, unethical behaviour or suspected fraud.

This Policy is an extension of the Lovable Code of Conduct. The Whistleblower'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.

Whistleblower's 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 MD/ Chairman of the Audit Committee or the Investigators.

Protected Disclosure will be appropriately dealt with by the MD/ Chairman of the Audit Committee.

ELIGIBILITY

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

INSTANCES OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

Below are instances to make the Employees aware of leak of UPSI.

- a. General Malpractice – such as immoral, illegal or unethical conduct, sexual harassment, fraud, bribery or corruption, environmental issues, criminal activities, wastage / misappropriation of Company funds/assets, misleading or falsification of financial or other records, accounting or auditing matters, a clear abuse of authority or any other unethical conduct affecting Company’s interest / image;
- b. Potential Infractions of the Company’s Code of Conduct;
- c. Breaches of copyright, patent and disclosure of confidential data/information to competitors/outside;
- d. Unauthorised Disclosure of Unpublished Price Sensitive Information as defined under the SEBI (Prohibition of Insider Trading) Regulations 2018 and the Company’s Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading as amended/ updated and for the time being in force.

DISQUALIFICATIONS

- a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a *mala fide* intention.
- c. Whistleblowers, 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 Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

SAFEGUARDS

(a) Harassment or Victimization

The Company recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from superiors. The Company will not tolerate harassment or victimization and will take action to protect an individual when they raise a concern in good faith. In case, a Whistle Blower is already the subject of any disciplinary action those procedures will not be halted as a result of their Whistle Blowing.

(b) Confidentiality

The Company will do its best to protect an individual's identity when s/he raises a concern and does not want their name to be disclosed. It must be appreciated that a statement from the Whistle Blower may be required as part of the evidence in the investigation process.

(c) Anonymous Allegations

This Policy encourages individuals to put their names to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation. In exercising this discretion, the factors to be taken into account would include:

- 1) The seriousness of the issue raised;
- 2) The credibility of the concern; and
- 3) The likelihood of confirming the allegation from attributable sources.

(d) Untrue Allegations

If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken.

HOW THE COMPLAINT WILL BE DEALT WITH

(a) The concerns raised may:

- 1) form the subject of an independent inquiry;
- 2) be investigated internally;
- 3) be referred to the external Auditor; or
- 4) be referred to the police; if required.

(b) Upon receipt of a concern, an initial enquiry will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may also be resolved by an agreed action without the need for investigation.

(c) After the concern has been evaluated, the Company will write to the complainant:

- 1) acknowledging that the concern has been received;
- 2) indicating how it is proposed to be dealt with;
- 3) informing whether further investigations will take place, and if not, why not.

(d) The amount of contact between the body considering the issues and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant.

(e) The Company will take steps to protect the Whistle Blower from victimization and minimize any difficulties which a person reporting under Whistle Blowing may experience as a result of raising a concern.

(f) The Company accepts and would take such steps as may be required to assure the Whistle Blower that the matter has been appropriately addressed.

PROCEDURE

a. All Protected Disclosures concerning financial/accounting matters should be addressed to the MD/ Chairman of the Audit Committee of the Company for investigation.

b. If a protected disclosure is received by any executive of the Company other than MD/ Chairman of Audit Committee, the same should be forwarded to the MD/ Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.

c. 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 Whistleblower.

d. The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy” or sent through email with the subject “Protected disclosure under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure. Anonymous / Pseudonymous disclosure shall not be entertained. The MD / Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

e. 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.

The concerns raised under Whistle Blowing shall be reported as early as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English, addressed to any of the following:

Chairman, Audit Committee / Managing Director
Gopal Sehjpal L Vinay Reddy

Lovable Lingerie Limited
A-46, Road No.2, MIDC, Andheri (E), Mumbai- 400 093.
Email: corporate@lovableindia.in

INVESTIGATION

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the MD/ Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.
- b. MD/ Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the MD/ Chairman of the 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 Whistleblower that an improper or unethical act was committed.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. 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.
- f. Subjects shall have a duty to co-operate with the MD/ Chairman of the 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.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation.
- i. Evidence shall not be withheld, destroyed or tampered with, and shall not be influenced, coached, threatened or intimidated by the Subjects.
- j. 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.

k. 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.

l. The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.

Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

PROTECTION

a. No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported 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 Whistleblowers. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.

b. A Whistleblower may report any violation of the above clause to the MD / Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the MD / Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).

d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

INVESTIGATORS

a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.

b. 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.

c. Investigations will be launched only after a preliminary review which establishes that:

- i. the alleged act constitutes an improper or unethical activity or conduct, and
- ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

DECISION

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

REPORTING

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

COMMUNICATION

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

AMENDMENT

The Audit Committee 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 and directors unless the same is notified to the Employees and directors in writing.

Whilst best efforts have been made to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.