

Objective

1. To reinforce the belief system of Lodha Group of Companies (the Company) in doing things ethically and without taking undue advantage of any relationship.
2. To ensure a clean and transparent environment for conducting business.
3. To encourage ethical and competent partners to engage with the Company on an ever-growing basis.
4. To ensure that no factors other than merit play a role in selection of partners OR rates offered thereto OR in verification of items received/consumed OR in the quality of the completed/delivered items vis-a-vis the desired quality when rates were finalized.
5. To ensure that partners who seek to use non-ethical means to procure business or enhance profits are severely punished, along with any Lodha associates who help such unethical partners in furthering their goals.

Applicability

1. All Lodha Associates.
2. All 3rd party Vendors and / or Service Providers (other than Banks and / or Governmental Authorities) which have been engaged with the company in the past 12 months OR have quoted for supply of any goods or services (“items”) to the company in the past 3 months (“partner”). The term ‘partner’ also covers Lodha customers – who shall be entitled to use all the privileges/rights under this policy but will not be required to become signatories to the same.

Transparency and Ethics Policy (TEP) Guidelines

Definition of Items – All goods and services which are procured/used by the company.

1. Lodha associates shall not accept any gift or favour or gratification, direct or indirect, from any Partner under any circumstances whatsoever. This includes any gifts at time of festivals / personal events etc.

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2. A Lodha associate is not permitted to:
 - a. Work on behalf of any other individual / entity.
 - b. Receive professional compensation / remuneration / benefit from any other individual / entity in relation to business/work.
 - c. Have financial interest (direct or indirect) in any entity which is a partner (as defined hereinabove) of the Company.
 - d. Pass information related to the Company, which would generally not be available to an outsider, to any person who is engaged in any activity which could be used against the interests of the Company, its business prospects and/or its associates. This includes, but is not restricted to, sharing of data with any 3rd party which is not specifically authorized to receive such information.

3. No Lodha associate should engage or participate in any business activity which directly or indirectly involves his/her direct relatives (father, mother, siblings, children, spouse, spouse's parents, spouse's siblings) or any entity in which they have a financial stake. In case such an instance comes up in the normal course of business, a Lodha associate is expected to:
 - a. Recuse him/herself from the said matter completely.
 - b. Inform the HOD-HR or Ombudsman or Audit head of such conflict of interest, in case he would like to continue dealing with the matter.

To prevent such conflicts of interest it is advisable that Lodha associates discourage their direct relatives from having any business association with the Company (unless such a direct relative is employed with the Company).

4. In the event that any Lodha associate is entering into a business transaction having value greater than INR 5 Lacs in a personal capacity with a Partner (an entity whose status as a Partner, the Lodha associate would be reasonably expected to be aware of), such transaction should be done only after informing the HOD-HR in writing. The Lodha associate should ensure that any such procurement is done at arm's-length basis, without deriving any advantage which would not be available to other customers of that partner if they were not to be working at Lodha.

5. Any attempt of any Partner to offer gratification to a Lodha associate is required to be reported by the said associate in writing / email / sms or by phone to the Ombudsman within 24 hours, specifying all relevant details including the name of the vendor, person involved from the partner's side and gift/favour/gratification offered. Lodha associates reporting such incidents may choose to keep their name anonymous if they so desire. If the ombudsman finds merit in the issue and the Committee decides that an incident of violation of the TEP policy has taken place, a 'good citizen's' **award of Rs. 100,000** shall be given to

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the concerned Lodha associate (only those who had stated his/her name at the time of bringing the issue to the Ombudsman).

6. Any associate who learns that any other Lodha associate OR Partner is violating / attempting to violate the company's TEP policy is required to report such incident, along with details of the partner / Lodha associate involved and context of the violation, to the Ombudsman within 48 hours in writing / email / sms or by phone. Lodha associates reporting such incidents may choose to keep their name anonymous if they so desire. If the ombudsman finds merit in the issue and the Committee decides that an incident of violation of the TEP policy has taken place, a 'good citizen's' **award of Rs. 100,000** shall be given to the concerned Lodha associate (only those who had stated his/her name at the time of bringing the issue to the Ombudsman).
7. If any partner (other than Lodha customer) finds that he/she is being asked to provide gift or favour or gratification to a Lodha associate, directly or indirectly, such partner is required to report such incident, along with all relevant details including name of Lodha associate making such demand and context thereto, to the Ombudsman or Director concerned within 5 working days in writing / email / sms or by phone. Lodha shall ensure that any partner reporting such incident is not penalized for any reason whatsoever and investigation of the issues reported by the Partner are done in a confidential manner, without jeopardizing the business interest of the partner.
8. If any Lodha Customer finds that he/she is being asked to provide gift or favour or gratification to a Lodha associate, directly or indirectly, such partner is requested to report such incident, along with all relevant details including name of Lodha associate making such demand and context thereto, to the Ombudsman or Director concerned within 5 working days in writing / email / sms or by phone.
9. All such issues observed/complaints received by any Lodha associate or partner, should be forwarded along with any other available relevant information to any one of the following, preferably within 48 hours of the same being noticed/known:
 - a. Ombudsman
 - b. Audit Head
 - c. Director concerned
 - d. Any of the Directors

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Process

1. Company shall nominate a person of deep integrity and with ability to maintain complete confidentiality as 'Ombudsman'. The Ombudsman will have a dedicated phone line (not controlled by Lodha HR), confidential email (not controlled by Lodha IT) and an appropriately located office such that any Lodha associate or Partner can approach him in full confidence, without any 3rd party becoming aware.
2. Ombudsman will consider the merit of all issues / concerns / complaints received by him.
3. Ombudsman is required to present all cases where he finds reasonable merit in the issue before the Committee within 5 working days of receipt of the complaint / information.
4. Audit will carry out continuous and random checks of all locations where violations of this policy are most likely to occur. Any incidents wherein the Audit team believes that the Transparency & Ethics Policy has been violated shall be immediately reported to the Committee and Director concerned. Audit will also have a dedicated group of 2-4 associates to investigate any such issues (received either by Audit or the Ombudsman or any Director).
5. A pledge/undertaking to comply with this policy, in letter and spirit, will be required to be taken by all Lodha associates at time of confirmation. HR shall ensure that this policy is widely communicated to all associates and at all locations of the company.
6. A pledge/undertaking to comply with this policy, in letter and spirit, will form an integral part of every contractual document entered into by Lodha (except in case of Agreements with Lodha Customers, in which case this policy will be made widely known to customers but they will not be required to become signatories to it). Procurement, Sales (and any other department entering into a contractual transaction) shall ensure that this policy is made known and reiterated from time-to-time to all Partners.
7. Whether a complaint/issue received is actually a violation of the Transparency & Ethics Policy shall be decided upon by a 3 member Committee comprising of the Director concerned, C-level concerned and President from any department not related to the department in question, along with input from the Ombudsman. The findings of this Committee shall be binding on all concerned. The basis of decision followed by the Committee shall be reasonable proof of circumstantial evidence. Committee shall give its final decision in the matter no later than 14 days from the date of the matter being brought to its attention by the Ombudsman/Audit.

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Disciplinary Actions

In cases where the Committee finds that violation of the Transparency & Ethics Policy has occurred:

1. In relation to the concerned Lodha associate(s) who has /ve attempted to take/has /ve taken benefit in violation of the Transparency & Ethics Policy:
 - a. He/she shall be immediately terminated from the services of the Company, without any benefit of notice period
 - b. All unpaid benefits (financial or non-financial) will lapse immediately
 - c. Such instances shall be duly communicated within the Company
 - d. Twice the amount of all gratification received or proposed to be received by the said associate on account of such violation, as estimated by the Committee, shall be recoverable from the said associate and the associate shall comply with the same forthwith
 - e. The Company shall be at liberty to pursue legal action both Civil as well as Criminal, based on the decision of the Board of Directors

2. In relation to the concerned Lodha Partner (s) who has / ve attempted to take/has / ve taken benefit in violation of Transparency & Ethics Policy:
 - a. All existing relations with the said partner (and all this subsidiaries / sister concerns / equivalent) shall be terminated forthwith
 - b. The said partner (and all this subsidiaries / sister concerns / equivalent) shall be placed on a 'banned' list for a period of 3 years from the date of such decision, during which the said entity shall not be entertained in relation to any business of the Company. The Company may choose to extend this period indefinitely if the gravity of the violation so demands
 - c. Thrice the amount of loss or damage caused or sought to be caused to the Company on account of such violation, as estimated by the Committee, shall be recoverable from the said partner and the partner shall comply with the same forthwith
 - d. The Company shall be at liberty to pursue legal action both Civil as well as Criminal, based on the advice of the Company's legal counsel.

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