

**LMW LIMITED**  
(formerly known as Lakshmi Machine Works Limited)

**LEGAL AND REGULATORY COMPLIANCE POLICY DOCUMENT**

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## 1. POLICY STATEMENT

LMW Limited (the “Company” or “LMW”) is dedicated to conducting all business activities in strict adherence to applicable laws, regulations, and internal policies. This commitment forms the foundation of its operations and is integral to its corporate culture.

The Legal and Regulatory Compliance Policy (the "Compliance Policy") outlines the principles and actions that guide the Company's approach to compliance. The key objectives of this policy are to:

- **Establish a Clear Compliance Framework:** Define the Company's compliance boundaries and expectations.
- **Promote Consistent Compliance:** Foster a Company-wide culture of rigorous and comprehensive compliance.
- **Implement Effective Compliance Practices:** Develop and maintain systems to facilitate and monitor compliance.
- **Uphold High Standards:** Ensure adherence to good Corporate Governance, ethics, and community expectations.
- **Foster a Culture of Compliance:** Empower employees to take personal responsibility for ethical behaviour and compliance.

It shall be published in the intranet / internal network of the Company, such that it shall be accessible to all employees of the Company.

## 2. SCOPE

This policy applies to all Directors and Employees of the Company.

The Company's legal and regulatory compliance obligations encompass a broad range of requirements, including:

- **Statutory and Regulatory Obligations:** Adherence to all applicable laws, regulations, guidelines, circulars, and notifications.
- **Common Law Obligations:** Fulfilment of legal obligations derived from common law principles.
- **Contractual Obligations:** Compliance with the terms and conditions of all contracts, permits, licenses, and authorizations.
- **Internal Policies and Procedures:** Adherence to the Company's internal policies, procedures, and standards, including delegation of authority and standard operating procedures.

## 3. POLICY OVERVIEW

This Compliance Policy aligns with the Company's strategic objectives and seeks to emulate industry best practices. It emphasizes the following key elements of an effective compliance program.

- **Commitment:** A strong commitment to compliance, embedded within the Company's culture and values.

- **Implementation:** Effective implementation of a compliance program that aligns with applicable laws and regulations.
- **Monitoring and Measurement:** Regular monitoring and measurement of compliance performance, with oversight from senior management and the Board.
- **Continuous Improvement:** Ongoing review and improvement of the compliance program, including regular training and education.

The Company adheres to the following principles to ensure a robust compliance framework:

- **Ethical Culture:** Fostering a positive and ethical culture that prioritizes compliance.
- **Effective Compliance Program:** Implementing a comprehensive compliance program that identifies, manages, monitors, and reports on compliance risks and performance.
- **Accountability:** Assigning clear accountability for compliance at all levels of the organization.
- **Transparent Reporting:** Regular reporting on compliance matters to relevant authorities within the Company.
- **Resource Allocation:** Providing adequate resources to support compliance efforts and employee training.
- **Enforcement:** Taking appropriate action to address non-compliance.
- **Training and Education:** Providing regular training and education to enhance employee awareness and understanding of compliance obligations.

#### 4. COMPLIANCE MANAGEMENT FRAMEWORK

##### Key Components of the Compliance Management Framework

- **Consistent Compliance Processes:** A standardized approach to identify, report, review, and monitor compliance obligations and issues.
- **Centralized Compliance Tracking:** A centralized checklist to manage and track compliance obligations, assigned to designated Compliance Owners.
- **Dedicated Compliance Organization:** A dedicated team to oversee identification, documentation, investigation, resolution, and reporting of compliance issues.
- **Comprehensive Training:** Regular training programs to educate existing and new employees on compliance matters.
- **Continuous Improvement:** Ongoing identification and implementation of improvements to enhance the effectiveness of the compliance framework.

##### 4.1. Compliance Management Framework

###### Identification

The Company must identify and regularly review applicable laws and regulations. To ensure compliance, checklists should be developed and maintained. Key sources for identifying compliance requirements include:

- **Central Government Legislation:** Federal laws and regulations issued by the Government of India.
- **State-Level Legislation:** State-specific laws and regulations applicable to the Company's operations.

- **Industry-Specific Regulations:** Regulations issued by relevant regulatory bodies such as the Department of Heavy Industries, Ministry of Petroleum and Natural Gas, Bureau of Indian Standards, etc.

## Reporting, Review and Monitoring

The compliance framework should enable regular efficient and effective reporting to executive management, and the Company's Board of Directors ("the Board" or "BOD") regarding compliance obligations of the Company. The compliance reporting will cover the current status against compliance obligations, compliance breaches and remedial plans. The reporting, inter alia, includes the following information:

- Certification from Compliance Owners confirming compliance with the applicable legal and regulatory requirements.
- Report on compliance breaches and corrective actions planned or undertaken to ensure that the possibility of re-occurrence or systemic breaches are reduced.
- Update on new laws / regulations / guidelines identified during the period and checklist developed / updated, if any.

Each Compliance Owner is required to complete and sign off a compliance certificate for their respective category of compliances. A template for the compliance certificate is given in Annexure I.

Details of compliance breaches will be documented in a central register managed by designated Compliance Owners that will be updated on a quarterly basis. A template for the compliance breach register is given in Annexure II.

Basis for reporting of various compliance requirements is as below:

Type of Compliance	Periodicity
Time Based	As per the due date
Event Based	As and when the specified event occurs
Time and Event Based	As per the due date and when the specified event occurs

## 4.2. Compliance Checklist

Compliance checklist serves as a guide to the responsible persons for ensuring the compliance to the relevant requirements on a regular basis. While compiling the checklist, every compliance requirement should be identified as Time based or Event based, or Time-cum-event based as the case may be. A template of the checklist is given in Annexure III.

- **Time based:** Under various Statutes, Company will be required to comply with certain provisions on periodic basis say monthly, quarterly, half-yearly or yearly. These are essentially time-based compliances. E.g. payment / filing of TDS return, payment / filing of PF etc.
- **Event Based:** Under various Statutes, Company will be required to comply with certain provisions based on occurrence or non-occurrence of certain event. These are essentially event-based compliances. E.g. giving loans, borrowings, etc.
- **Time-cum-event Based:** Under various Statutes, Company will be required to comply with certain provisions which are event-linked as well as time-linked. These are essentially time-cum-event based compliances. E.g. Renewal of licenses.

### **4.3. Compliance Education and Training**

For effective compliance management, the Company shall create necessary awareness through regular training sessions, undertaken by external or suitable internal resources for relevant Divisions / Functions. The training sessions may be scheduled as a part of the Annual HR Training Calendar.

### **4.4. Continuous Improvement**

The compliance framework, based on evolving statutory and regulatory landscape / requirements shall be reviewed on a regular basis and updated by the respective Business Head or Functional In-charge as necessary. Any significant changes to the law / regulations, that in the opinion of the compliance needs to be brought to the attention of the Board, may suitably be reported to the Board vide Compliance Owner issued Compliance Certificate.

## **5. COMPLIANCE MANAGEMENT STRUCTURE**

### **5.1. Board of Directors (BOD)**

Ultimate responsibility for approving the compliance management framework, maintaining an effective oversight on compliance program and ensuring that all compliance risks associated with the Company's objectives are effectively managed. The Board is advised as and when necessary, through compliance certificates issued by the respective compliance owner on compliance related issues, if any, including information on any compliance breaches. In this regard, the Board shall have the power to call any Business Unit Head / Functional In-charge to understand remedial actions suggested or being taken. The Board shall also as and when necessary review the adequacy of the compliance framework.

### **5.2. Compliance Owner**

Compliance owners in the organisation are the Business Unit Heads, FICs from HR, IR, IT, the Chief Financial Officer and the Company Secretary. Besides the specified compliance owners, the Board can also designate any other employee as a compliance owner.

Compliance Owner shall be responsible for ensuring compliance with the applicable legal and regulatory requirements for their respective category of compliance. Compliance Owner shall be responsible for coordinating within their respective Factory / Office / Function to ensure compliance with applicable regulations. The Compliance Owner shall also be responsible for ensuring that reporting on compliance, namely the Compliance Certificate, is provided to the Company Secretary in time for placement with the Board of Directors.

### **5.3. Roles and Responsibilities**

The following table describes roles and responsibilities of various functionaries that are part of the Company's compliance framework.

<b>Roles</b>	<b>Responsibilities</b>
Board of Directors	<ul style="list-style-type: none"><li>• Oversee, review and ensure the effectiveness of the Company's compliance framework.</li><li>• Approve compliance framework and policy of the Company.</li><li>• Review compliance framework, as and when necessary.</li></ul>

Compliance Owner	<ul style="list-style-type: none"> <li>• Ensure adherence to the compliance policy and framework.</li> <li>• Be responsible for on-going identification, assessment, management, reporting, review and monitoring of compliance breaches within their respective compliance responsibilities.</li> <li>• Review and make recommendations to the board on breaches of key compliance requirements.</li> <li>• Create awareness of the Company's compliance framework is promoted among the employees through training sessions.</li> <li>• Maintain the accuracy and integrity of the compliance checklist.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Ensure that their activities on behalf of the Company, do not breach applicable legal and regulatory compliance requirements.</li> <li>• Familiarise themselves with the Company's compliance policy.</li> <li>• Report and escalate all compliance concerns, issues and breaches to respective Compliance Owner or make use of the Whistle Blower Mechanism operational within the company. Details of the Whistle Blower Mechanism is available on the Company website.</li> </ul>

A summary chart displaying the activities to be followed periodically is given below:

Roles	Responsibilities		
	On-going	Quarterly	Annually
Compliance Owner	<ul style="list-style-type: none"> <li>• Update compliance checklists with new acts / amendments</li> </ul>	<ul style="list-style-type: none"> <li>• Review and maintain the compliance checklists.</li> <li>• Update and maintain the compliance breach register and report it to the Compliance Committee.</li> <li>• Provide signoff on compliance certificate to the Board of Directors.</li> </ul>	-
Board of Directors	-	-	<ul style="list-style-type: none"> <li>• Review the report on status on compliance program.</li> </ul>

## 6. Amendment to the Policy

The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

Policy amended as on 24.01.2025

**LMW LIMITED**

CIN: L29269TZ1962PLC000463



Annexure I: Quarterly Compliance Certificate

**Compliance Certificate - (Compliance Owner - Category)**  
**Period - (Quarter / Year)**

To  
The Board of Directors

To the best of my knowledge and belief, I confirm the following:

- The Company is in adherence to applicable (Compliance Category) regulatory and business compliance requirements.
- Non-compliance breaches are adequately investigated and all issues are reported in a timely manner.

Yours Sincerely,

Compliance Owner (Category)  
(Name and Designation)

Place:

Date:





Annexure II: Compliance Breach Register

#	Description of Compliance Breach (including reasons)	Relevant Act / Regulation	Responsible Authority (Name and Designation)	Possible Impact	Remediation Plan	Remediation Priority (High / Medium / Low)	Remediation Responsibility (Name, Designation)



Annexure III: Compliance Checklist

#	Compliance Category	Statute	Section Reference	Section Head	Requirement Category	Compliance Requirement	Relevant Authority	Frequency of Compliance	Impact of Non-Compliance	Due date	Actual Date	Responsibility (Name and Designation)