

(A NON-BANKING FINANCIAL COMPANY)

Regd. Office & Corporate Office : "Nahar Tower", 375 Industrial Area-A, Ludhiana - 141 003 (INDIA)

Phones : 91-161-2600701 to 705, 5066330 to 335 Fax : 91-161-2222942, 2601956

E-mail : secnsm@owmnahar.com Web Site : www.owmnahar.com CIN No. : L45202PB2006PLC029968

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

### PREFACE

Nahar Capital and Financial Services Limited (NCFSL) believes and practices the principles good Corporate Governance. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. The provisions of Section 177 of the Companies Act, 2013 requires that every listed company and such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

The Clause 49 of the Listing agreement between the Company and the Stock Exchanges *inter alia*, provides for the establishment of a mechanism called "Whistle Blower Policy" for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Keeping the above in view, the Board of Directors in their meeting held on 29.05.2014 approved the Vigil Mechanism / Whistle Blower Policy of the Company. It provides for a Vigil Mechanism to channelize the reporting of complaints / grievances or such other reportable instances with adequate safeguards against the victimization of the Whistle Blower.

### POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

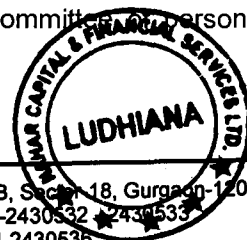
The Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

### DEFINITIONS

"**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 under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

"**Subject**" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

"**Vigilance Officer/Vigilance Committee or Committee**" is a person or Committee of persons,



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nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

"Whistle Blower" is a person who makes a protected disclosure under this Policy and also referred in this Policy as complainant.

## SCOPE

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

1. Breach of the Company's Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets
10. Act which can be classified moral turpitude
11. Offence against Government
12. Offending Government official to his personal ego while discharging duties and thereby effecting Company's work adversely
13. Willful defaults declared by CIBIL.

## PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English or sent through e-mail at the address: [whistleblowerncfs@owmnahar.com](mailto:whistleblowerncfs@owmnahar.com).

All Protected Disclosure should be submitted to the Company Secretary, the Compliance Officer of the Company or to Prof. K.S. Maini, Chairman of the Audit Committee, in exceptional cases, 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 at [whistleblowerncfs@owmnahar.com](mailto:whistleblowerncfs@owmnahar.com) 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.



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The contact details of the Company Secretary are as under:-

**Name and Address – Mrs. Anjali Modgil**  
**Company Secretary**  
**Nahar Capital and Financial Services Ltd.**  
**375, Industrial Area – A,**  
**Ludhiana - 141003**  
**Email - secncfs@owmnahar.com**

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

**Name and Address – Prof. K.S. Maini**  
**Nahar Capital and Financial Services Ltd.**  
**375, Industrial Area – A,**  
**Ludhiana - 141003**

Anonymous / Pseudonymous disclosure shall not be entertained by the Company Secretary.

On receipt of the protected disclosure the Company Secretary being Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

## **INVESTIGATION**

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Company Secretary being the Compliance Officer of the Company or any other official of the Company nominated by Managing Director as Vigilance Officer of the Company, will carry out an investigation either himself/herself or Committee constituted for the same before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee for the purpose of investigation.

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

The investigation shall be completed normally within 45 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

## **DECISION AND REPORTING**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as they may deem fit. The Board may also take reasonable and



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necessary measures to prevent any further violations which may have resulted in a complaint being made.

Any disciplinary or corrective action initiated against the person(s) (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.

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

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Company Secretary or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

### CONFIDENTIALITY

The complainant, Company Secretary, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy and discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

### PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

### DISQUALIFICATIONS

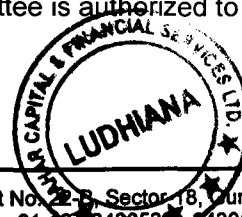
While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable for disciplinary action.

### ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in appropriate or exceptional cases and the Chairman of the Audit Committee is authorized to prescribe



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suitable directions in this regard.

### **COMMUNICATION**

Directors and Employees shall be informed of the Policy by publishing on the Notice Board and the website of the Company.

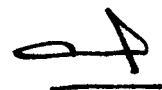
### **RETENTION OF DOCUMENTS**

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 3 (three) years or such other period as specified by any other law in force, whichever is more.

### **AMENDMENT**

The Company 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 Directors and employees unless the same is not communicated in the manner described as above.

**For Nahar Capital and Financial Services Ltd.**



**(Managing Director)**