

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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1. PREFACE AND OBJECTIVES

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of honesty, integrity, legality and ethical behavior. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

Thus, the Board of Nahar Industrial Enterprises Limited ("NIEL") has approved a Whistle Blower Policy/ Vigil Mechanism as per Clause 49 of Listing Agreement and Section 177 of the Companies Act, 2013, to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct.

The Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express their concerns without any fear of punishment or unfair treatment. Such a vigil mechanism provides for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious allegations against people in authority and/ or colleagues in general.

2. DEFINITIONS

'Company' means Nahar Industrial Enterprises Limited.

'Vigilance Officer/ Vigilance Committee' means is a person or committee of persons, 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.

'Disciplinary Action' means warning, imposition of fine, suspension from official duties or such other action that may be decided by the Audit Committee depending on the gravity of the matter.

'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 Clause 49 of the Listing Agreement with the Stock Exchanges.

'Board' means the Board of Directors of the Company.

'Employee' means every employee of the Company, including the Directors in employment of the Company.

'Protected Disclosure' means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity. However, the Protected Disclosures 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.

‘Whistle Blower’ is an employee or group of employees, or any other person/stakeholder who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

3. SCOPE

The policy is an extension of the code of conduct for directors and senior management personnel and covers disclosures of any malpractice event. The following activities, events may be brought to the notice of the Vigilance Officer:

- I. Violation of Code of Conduct of the Company;
- II. Unethical, immoral, biased conduct or behavior;
- III. Breach of terms and conditions of employment and Rules thereof;
- IV. Abuse of the power or the authority given and breach of contract;
- V. Any activity, malpractice or wrongdoing which may be harmful for the persons working in or for the Company or for the Company’s image;
- VI. Misappropriation of the Company’s funds including any type of fraud and any activity which is criminal and illegal in nature;
- VII. Manipulation of Company’s Data/ Records;
- VIII. Pilferage of confidential/ Propriety information; or
- IX. Such other issues as may be prescribed by the Audit Committee.

4. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- All Protected Disclosures should either be typed or written in a legible handwriting in English. Alternatively, the same can also be sent through email. The Protected Disclosure should be submitted to the Company Secretary, the Compliance Officer of Company or to Dr. Vijay Asdhir, Chairman of the Audit Committee, in exceptional cases, in a closed and secured envelope or sent through E-mail at nildh@owmnaahar.com and should be super scribed as "Protected disclosure under the Whistle Blower policy".
- The contact details are as under:

Designation	Name and Address
Company Secretary	Sh. Mukesh Sood,, Compliance Officer, Nahar Industrial Enterprises Limited, Focal Point, Ludhiana. e-Mail: msood@owmnaahar.com
Chairman (Audit Committee)	Dr. Vijay Asdhir, Nahar Industrial Enterprises Limited, Focal Point, Ludhiana.

- In order to protect identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name/address on the envelop nor enter into any further correspondence with the Vigilance Officer.
- The Company shall not entertain anonymous/ pseudonymous disclosures.
- On receipt of the protected disclosure the Vigilance Officer shall keep proper records of the Protected Disclosure.

5. 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 the 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 decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.
- The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.
- Unless there are compelling reasons not to do so, Subjects will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- Subjects shall have a duty to co-operate with the Vigilance Officer(s) / Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- Subjects shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.
- Subjects shall 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.
- Vigilance Officer shall normally complete the investigation within 45 days of the receipt of Protected Disclosure.
- In case of allegations against Subject are substantiated by the Vigilance Officer in his report, the Audit Committee shall give an opportunity to Subject to explain his side.

6. PROTECTION

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. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Complete protection will, therefore, be given to Whistle Blowers. The Company will take adequate steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

7. SECRECY/ CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- i. Maintain confidentiality of all matters under this Policy and keep e-records under passwords.
- ii. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- iii. Not keep the papers unattended anywhere at any time.

8. DECISION & REPORTING

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

A quarterly report with number of complaints received under this 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 Vigilance Officer shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

10. COMMUNICATION

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

11. 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.

12. 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 and such modifications, if any, shall be placed on the website of the company.