

VIGIL MECHANISM / WHISTLE BLOWER POLICY

NAVAYUGA ENGINEERING COMPANY LIMITED

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1. Preface

- 1.1 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.
- 1.2 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

2. Policy

- 2.1 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
- 2.2 A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the Ombudsperson about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.3 The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

3. Definitions

- 3.1 "Company" means Navayuga Engineering Company Limited (NECL)
- 3.2 "Disciplinary Action" means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3.3 "Employee" means all the present employees and directors of the Company (whether working in India or abroad).
- 3.4 "Director" means Directors of NECL
- 3.5 "Protected Disclosure" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical

or improper activity.

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

3.7 "Whistle Blower" is someone who makes a Protected Disclosure under this Policy.

3.8 "Whistle Officer" or "Committee" means an officer or Committee of persons who is nominated/appointed by Audit Committee to conduct detailed investigation.

3.9 "Ombudsperson" will be a person who is appointed by the Audit committee for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

4 Scope of Policy

4.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud, or suspected fraud
6. Criminal offence
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of employee Code of Conduct or Rules
11. Any other unethical, biased, favoured, imprudent event

4.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

5. Disqualifications

5.1 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.

5.2 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 malafide intention.

5.3 Whistle Blowers, who make any Protected Disclosures, which have been

subsequently found to be mala fide, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

6. Manner in which concern can be raised

- 6.1 Employees / Directors can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same.
- 6.2 Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- 6.3 If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- 6.4 Where initial enquiries indicate that further investigation is necessary, this will be carried through by a Whistle Officer nominated by the Audit committee for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- 6.5 Name of the Whistle Blower shall not be disclosed to the Whistle Officer.
- 6.6 The Ombudsperson/Whistle Officer shall:
 - i) Make a detailed written record of the Protected Disclosure.
 - ii) The Whistle Officer shall finalise and submit the investigation report to the Audit Committee within 15 days of being nominated/ appointed.
- 6.7 On submission of report, the Whistle Officer shall discuss the matter with Audit Committee who shall either:
 - i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
 - ii) In case the Protected Disclosure is not proved, extinguish the matter;
- 6.8 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he can make a direct appeal to the Chairman of the Board.

7. Protection

7.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a 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 Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

7.2 The identity of the Whistle Blower shall be kept confidential.

7.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

8. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Whistle Officer and every one involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/ meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

9. Reporting

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

10. Amendment

The Managing Director/Director of the Company has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

21.04.2014