



Whistle Blower Policy

(Revision No. 1 Dt. 01.02.2016)

National Engineering Industries Limited.

Khatipura Road, Jaipur – 302006

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Visit us at: www.nbcbearings.com

The Board of Directors (the Board) of National Engineering Industries Limited (the Company) has adopted this Whistle Blower Policy in line with the objective of strengthening the governance mechanism and to report to the management instances of genuine concerns, unethical behaviour, actual or suspected misconduct and fraud and also to meet the requirement of the Companies Act, 2013.

Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees and Directors who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

This Policy aims to provide an avenue for employees and Directors to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, improper misconduct, unethical behaviour etc

Scope

The Policy shall extend to whole of the Company and shall be available on the website at- www.nbcbearings.com.

Employees and Directors of the Company are eligible to make protected disclosures under this Policy. The Whistle Blower's role is to report or raise any concerns which the individual believes is an internal malpractice or wrong doing which could affect the business or reputation of the Company. Any allegation which falls within the scope of the concerns identified below will be seriously considered and investigated.

These concerns would include but are not restricted to:-

- a. Fraud ;
- b. Financial malpractice ;
- c. Failure to comply with legal requirements or Company policy;
- d. Improper conduct or unethical behaviour ;
- e. Attempts to conceal any material facts;
- f. Negligence causing substantial and specific danger to public health ;
- g. Any unlawful act whether criminal/ civil;
- h. Colluding with third parties/associates to exploit the company
- i. Wastage / misappropriation of Company's Funds/ assets.

Definitions

“Audit Committee” or “Committee” means Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013.

“Company” means National Engineering Industries Limited, its subsidiaries, joint-ventures and associate companies.

“Designated Authority” means an official who is nominated/ appointed by the Audit Committee to receive Protected Disclosures from the Whistle Blower, conduct detailed investigation of the Protected Disclosure and recommend action to the Audit Committee

“Protected Disclosure” means any communication made in good faith under this policy that discloses or demonstrates information that may evidence unethical or improper activity, misconduct or Fraud.

“Fraud” means deliberate deception to secure or attempt to secure, unfair or unlawful benefit or gain from the Company or a third party. This may include the embezzlement of Company’s funds or the misappropriation of Company’s assets in the form of money, property, data, confidential information or intellectual property.

“Policy” means the Whistle Blower Policy.

“Subject” shall mean a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation

“Whistle Blower” means any Employee or Director of the Company who makes a Protected Disclosure under this Policy.

Whistle Officer” or “Whistle Committee” means a Committee of persons who is nominated/ appointed by the Audit Committee to assist the Designated Authority or the audit Committee to conduct investigation of the Protected Disclosure received from the Whistle Blower. The Committee, if appointed, should include Senior Level Officers of Finance, Sales & Marketing, Personnel & IR and HR, Internal Audit and a representative of the Division/ Department where the alleged malpractice has occurred.

Duties of Whistle Blowers:

- a. Report any improper practice on time. Delay in reporting may lead to loss of evidence and also financial loss to the Company.
- b. Although they are not required to provide proof, they must have sufficient cause for concern and submit evidence when called for.
- c. Avoid anonymity when raising a concern.
- d. Follow the procedures prescribed in this Policy for making a Protected Disclosure.
- e. Co-operate with investigating authorities, maintaining full confidentiality

- f. The intent of the Policy is to bring genuine and serious concerns to the fore and it is not intended for petty disclosures. Malicious allegations by employees may attract disciplinary action
- g. A Whistle Blower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation

Reporting a concern

All suspected concerns/ violations are to be reported to IA Head (Designated Authority) for investigation.

The Contact details are:

Contact no: 0141-2223221 (Ext.1371),

Email: skjain@nbcbearings.in

Mailing Address: IA Head, Internal Consultancy Group (ICG Deptt), National Engineering Industries Limited, Khatipura Road, Jaipur - 302006

Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

The Protected Disclosure should be forwarded under a covering letter. This shall bear the identity of the Whistle Blower.

In case the Complaint is regarding any exceptional matter or involving members of the Senior Management Team of the Company including the Key Managerial personnel, or concerning financial/accounting matters the Designated Authority shall forward the Protected Disclosure to the Chairperson of Audit Committee for investigation. All other Protected Disclosures shall be investigated by the Designated Authority.

The protected disclosure should be completely factual. Complete details must be elaborately discussed by the Whistle Blower to enable right and swift course of action.

If a Protected Disclosure is received by any executive of the Company other than the Designated authority or Audit Committee, the same should be forwarded to the Designated authority or Audit Committee for further appropriate action.

How the Protected Disclosure Will Be Dealt With

- a) The Protected Disclosure raised may
 - Form the subject of an independent enquiry.
 - Be investigated internally.

- Be referred to external auditor .
 - Be referred to the Police if required.
- b) Upon receipt of a Protected Disclosure, an initial enquiry will be carried out by the Designated Authority or the Audit Committee as the case may be to decide whether an investigation is appropriate and if so, what form it should take. Some concerns may also be resolved by an agreed action without the need for investigation.
- c) The Designated Authority shall report to the Audit Committee, details of all Protected Disclosures received and findings of preliminary investigation carried out by him.
- d) The extent of contact between the body considering the issues and the Whistle Blower will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the Whistle Blower.
- e) After the Protected Disclosure has been evaluated as above, the Designated Authority will write to the Whistle Blower :
- Acknowledging that the concern has been received ;
 - Indicating how it is proposed to be dealt with ;
 - Informing whether further investigation will take place, and if not, why.
- f) If the Designated Authority or the Audit Committee as the case may be after the preliminary investigation comes to the conclusion that the matter need to be investigated in detail, the Designated Authority or the Audit Committee will proceed to investigate it further in such manner as may be decided by the Audit Committee . The Audit committee shall in appropriate cases appoint a Whistle Committee to assist the Designated authority or the Audit Committee in the preliminary and/or detailed investigation. If the alleged malpractice or wrong doing is required by law to be dealt with under any other mechanism, then the Designated Authority or the Audit Committee shall refer the Protected Disclosure to the appropriate authority under such mandated mechanism

Escalation Matrix

If a Whistle Blower does not receive acknowledgment from the Designated Authority within 30 days from the date of receipt of concern reported or if he / she is not satisfied with the course of action proposed by the Designated Authority, he / she may directly write to the Chairperson of the Audit Committee who will direct necessary guidelines / action to be taken by the Designated Authority.

Protection

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a concern 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 Blowers.

Protection will be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, 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 Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Disclosure.

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

If a Whistle Blower face any retaliatory action or threat as a result of making a Protected Disclosure he may immediately write to the Chairperson of the audit Committee who will recommend appropriate steps to protect the Whistle Blower from such retaliatory action and ensure implementation of such steps for the protection of the Whistle Blower.

Anonymous allegations

This Policy encourages individuals to put their name to any Disclosures they make. Disclosures expressed anonymously are much less credible, but they may be considered at the discretion of the Audit Committee. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Untrue allegations

In making a Protected Disclosure the individual should exercise due care to ensure the accuracy of the information. If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. If however, an individual makes frivolous, malicious or vexatious allegations, and particularly if he or she persists with making them despite the outcome of the investigation, the Audit Committee may recommend action against the individual. However, the intention is to provide full protection to any individual acting in good faith.

Duties of the Investigating Committee/ Authority

- a. Proceedings of investigation shall be conducted in a fair and unbiased manner
- b. Fact finding process should be comprehensive
- c. Confidentiality shall be the key word of the Audit Committee/ Designated Authority

- d. Decision on the outcome of the investigation, whether an improper practice has been committed and if so by whom to be taken
- e. Action to be taken has to be recommended by the committee

Rights of ‘the Subject’:

- a. All allegations on the Subject must be clearly communicated to him/her.
- b. The Subject shall be heard by the Committee completely.
- c. Outcome of the investigation shall be communicated to the Subject and shall be informed in writing also.

Time Frame

The investigation shall be completed normally within 60 days of the receipt of the concern. However in appropriate cases, the Designated Authority or the Audit Committee as the case may be, for reasons to be recorded in writing may take longer time to complete the investigation .

Decision

If the investigation is carried out by the Designated Authority, the Designated Authority shall forward its finding to the Audit Committee.

If the investigation by the Designated authority or by the Audit Committee as the case may be leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend to the management/ Board of the Company to take such disciplinary or corrective action.

Retention of Records

All Disclosures in writing as well as all documents related to any investigation and the results of the investigation relating thereto shall be retained for a period of at least 7 years.

Amendment

This Policy may be amended or modified in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees and directors unless the same is notified to them by posting it on the website at www.nbcbearings.com.