

**NIRLON LIMITED**

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www.nirlonltd.com, Email:info@nirlonltd.com  
CIN:L17120 MH1958PLC 011045

**Whistle Blower Policy of Nirlon Limited**

**(Effective from November 13, 2014)**

**I. Preamble**

The Audit Committee ("**AC**") of Nirlon Limited ("**the Company**" or "**NL**") presently consists of 4 (four) Independent Non-Executive Directors including 1 (one) woman director, which is more than 50% of the Board Members.

In order to comply with Section 177 of the Companies Act, 2013, and the amended Clause 49 (1F) of the Listing Agreement, the Company is required to establish a Vigil Mechanism and a Whistle Blower Policy.

The Company believes in the conduct of its affairs in a fair and transparent manner by adopting standards of honesty, professionalism, integrity and ethical behaviour.

The Company is also required to adopt a Code of Conduct for Directors and employees, under the amended clause 49 (1F) of the Listing Agreement.

**II. Objectives**

The AC and Whistle Blower Policy are in compliance with Section 177 of the Companies Act, 2013 and amended clause 49 (1F) of the Listing Agreement, i.e.

- (a) Nirlon Ltd is required to establish a Vigil Mechanism for its Directors and Employees to express/report his/her/their genuine concerns.
- (b) Under the said Vigil Mechanism, a '**Whistleblower Policy**' is required for Directors and Employees to report their concerns of unethical behaviour, actual or suspected, fraud, or violation of the Company's Code of Conduct.
- (c) Accordingly, this Whistleblower Policy ("**the Policy**") has been formulated with a view to provide a way forward for a Vigil Mechanism for Directors and Employees of the Company to approach the Chairman of the AC / Board of the Company.

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- (d) Any actual, or potential violation of the Code, howsoever, insignificant, or perceived as such, would be a matter of serious concern for the Company.
- (e) Any employee can choose to make a report under the Whistleblower Policy of the Company to the Chairman of the AC, or the Board of Directors. Such a report shall be forwarded by the whistleblower, when there is reasonable evidence to conclude that a violation is/may be possible, or has taken place, with a covering letter under the identity of the whistleblower.
- (f) The Company shall ensure protection to the whistleblower, and any attempts to intimidate him/her would be treated as a violation of the Code.

**III. Definitions**

The definitions of some of the key terms used in this Policy are given below:-

Capitalized terms not defined herein shall have the meaning assigned to them under this Code.

- a. **“Audit Committee” (AC)** means the Audit Committee as constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013, and also in accordance with amended Clause 49 of the Listing Agreement.
- b. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- c. **“Code”** means the Nirlon Code of Conduct.
- d. **“Investigators”** mean and includes those persons authorised, appointed, consulted or approached by the Chairman of the AC / Board, and includes the Auditors of the Company, and the Police.

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- e. **“Report”** means any communication made in good faith discloses, or demonstrates information that may evidence unethical or improper activity.
- f. **“Subject”** means a person against or in relation to whom a report has been made, or evidence gathered during the course of an investigation.
- g. **“Whistleblower”** means an Employee, or a Director making a report under this Policy.
- h. **“Companies Act”/”Act”** means Companies Act, 2013, any modifications and/or re-enactment thereof.
- i. **“Clause”** means clause 49 and any amendment thereto by Securities and Exchange Board of India (SEBI).

**IV. Scope**

- (a) This Policy is an extension of the Nirlon’s Code of Conduct. The whistleblower’s role is that of a reporting party with reliable information. They are not required, or expected to act as investigators, or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- (b) Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the AC / Board, or the Investigators.
- (c) Reports will be appropriately dealt with by the Chairman of the AC / Board.

**V. Eligibility**

- (a) All Employees and Directors of the Company are eligible to make a report under the Policy.
- (b) The report needs to be in relation to matters concerning to Nirlon Ltd.

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**VI. Disqualifications**

- (a) While it will be ensured that genuine whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- (b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistleblower, knowing it to be false or bogus or with a mala fide intention.
- (c) Whistleblowers who make two or more reports, which have subsequently been found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in a good faith, will be disqualified from reporting further report under this Policy.
- (d) In respect of such whistleblowers/AC/Board would reserve right to take/recommend appropriate disciplinary action.

**VII. Procedure**

- (a) All reports concerning financial/accounting matters should be addressed to the Chairman of the AC of the Company for investigation.
- (b) In respect of all other reports, those concerning the ethics of employees at the levels of General Manager and above should be addressed to the Chairman of the Board of Directors of the Company, and those concerning other employees should be addressed to the Executive Vice Chairman & Executive Director of the Company as a matter of practical convenience.
- (c) The contact details of the Chairman of the AC / Board of the Company are as under:

- (i) **Chairman of the AC / the Board**

Mr. Moosa Raza, Chairman of the Board and AC.

Address: House no. C-134, Sector 26, Noida 201301.

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E-mail: moosaraza.1@gmail.com

- (ii) Mr. Kunal V. Sagar, Executive Vice Chairman and Mr. Rahul V. Sagar, Executive Director of the Company.

Address: Pahadi Village, Off Western Express Highway,  
Goregaon (East), Mumbai: 400 063.

E-mail: kunalsagar@nirlonltd.com

E-mail: rahulsagar@nirlonltd.com

- (d) If a report is received otherwise than as stated above by the Executive Vice Chairman and/or Executive Director of the Company then the same should be forwarded to the Chairman of the AC/Board, as the case may be, for further appropriate action. Appropriate care must be taken to keep the identity of the whistleblower confidential.
- (e) Reports should preferably be 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 whistleblower.
- (f) The report should be forwarded under a covering letter with the identity of the whistleblower. The Chairman of the AC / Board / Executive Vice Chairman / Executive Director, as the case may be, shall detach the covering letter, and forward only the report to the Investigators for investigation.
- (g) Reports should be factual and not speculative, or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- (h) The whistleblower must disclose his/her identity in the covering letter forwarding such report. Anonymous disclosures shall not be entertained as it would not be possible to interview the whistleblowers.

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**VIII. Investigation Procedure**

- (a) All reports reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee / Board / Executive Vice Chairman / Executive Director who will investigate / oversee the investigations under the authorization of the Audit Committee / Board. If any member of the Audit Committee / Board has a conflict of interest in any given case, then he/she should recused himself/herself, and the other members of the Audit Committee / Board should deal with the matter on hand.
- (b) The Chairman of the Audit Committee / Board / Executive Vice Chairman / Executive Director may at its discretion consider involving any Investigators for the purpose of investigation.
- (c) The decision to conduct an investigation taken by the Chairman of the Audit Committee / Board is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the whistleblower that an improper or unethical act was committed or about to be committed.
- (d) The identity of a subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- (e) The Executive Vice Chairman and/or Executive Director shall report the outcome of the investigation to the Chairman of Audit Committee / Board.
- (f) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- (g) Subjects shall have a duty to co-operate with the Chairman of the Audit Committee / Board / Executive Vice Chairman / Executive Director, and/or any of the Investigators during the investigation, to

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the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

- (h) Subjects have a right to consult with a person or persons of their choice, other than Investigators and/or members of the Audit Committee and/or the whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- (i) Subjects 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.
- (j) Unless there are compelling reasons not to do so, subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- (k) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the subject and the Company.
- (l) The investigation shall be completed normally within 30 (Thirty) working days of the receipt of the report.

**IX. Protection**

- (a) No unfair treatment will be meted out to a whistleblower by virtue of his/her having tendered a report under this Policy.
- (b) The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistleblowers.



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- (c) Complete protection will, therefore, be given to whistleblowers 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 whistleblower's right to continue to perform his/her duties/functions including making further reports.
- (d) The Company will take steps to minimize difficulties, which the whistleblower may experience as a result of making reports. Thus, if the whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the whistleblower to receive advice about the procedure, etc.
- (e) A whistleblower may report any violation of the above clause to the Chairman of the Audit Committee / Board, who shall investigate the same and recommend suitable action to the Management.
- (f) The identity of the whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of Chairman of the Audit Committee / Board / Executive Vice Chairman / Executive Director (e.g. during investigations carried out by Investigators).
- (g) Any other employee assisting in the said investigation shall also be protected to the same extent as the whistleblower.

**X. Investigators**

- (a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chairman / Audit Committee / Board when acting within the course and scope of their investigation.



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- (b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- (c) Investigations will be launched only after a preliminary review which establishes that:
  - i. the alleged act constitutes an improper or unethical activity or conduct, and
  - ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of Management review, but investigation itself should not be undertaken as an investigation of an improper, or unethical activity.

**XI. Decision**

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

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**XII. Reporting**

The Executive Vice Chairman / Executive Director shall submit a report to the Audit Committee on a regular basis about all reports referred to them since the last report together with the results of investigations, if any.

**XIII. Retention of documents**

All reports in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven (7) years.

**XIV. 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 Employees and Directors unless the same is notified to the Employees and Directors in writing by sending an e-mail, & displaying the same on the Company's website.

**XV. Power to remove difficulties**

If any difficulties arise in giving effect to the provisions of this Policy, the Chairman of the Board in consultation with the Board by an order make such provisions as appear to it to be necessary or expedient for removing the difficulty by suitably amending/ modifying such provisions, and such amendment/ modification shall be displayed on the website of the Company. It is always provided that such amendment/ modifications shall in no event be inconsistent with the provision of the Act and the Clause.

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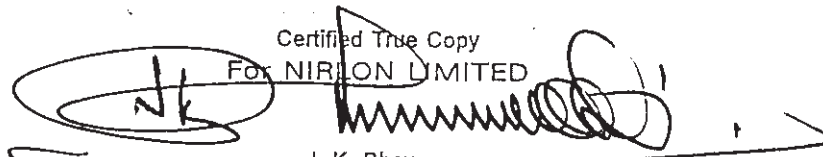
**XVI. Overriding Effects**

This Policy will not override the Act and the Clause, and any amendment and/or modification to the Act and/or the Clause shall prevail over the Policy.

Any provision contained in this Policy to the extent to which it is inconsistent or repugnant to the provisions of the Act or the Clause shall become or be void, as the case may be.



Certified True Copy  
For NIRLON LIMITED



J. K. Bhavsar  
Company Secretary, V. P.-Legal & Compliance Officer  
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