



HARISH TEXTILE ENGINEERS LIMITED

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 2nd Floor, 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India.

Tel.:022-28367151/40373000 Email: info@harishtextile.com www.harishtextile.com



1. PREFACE

1.1 Harish Textile Engineers Limited (hereafter referred to as "HTEL") believes in promoting a fair, transparent, ethical and professional work environment. Towards this end, HTEL has adopted the Code of Conduct ("the Code"), which lays down the principles and standards that should govern the actions of the Company, its Directors and Senior management.

1.2 Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –

- a. Every listed company;
- b. Every other company which accepts deposits from the public;
- c. Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges has been recently amended which, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Whistleblower Policy' for directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

1.3 While the code of conduct defines the expectations from the Director and Senior Management in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting genuine concerns or grievances or concerns of actual or suspected, fraud or violation of the Company's code of conduct.

1.4 In compliance of the above requirements Whistleblower Policy ("the Policy") / Vigil Mechanism is being established by HTEL.

2. DEFINITIONS

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

- a) **"Audit Committee"** means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 292A/ 177

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of the Companies Act, 1956/Companies Act 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

- b) **"Director"** means director of the Company.
- c) **"Code"** means the Harish Textile Engineers Limited Code of Conduct.
- d) **"Employee"** means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- e) **"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. Protected Disclosures should be factual and not speculative in nature.
- f) **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g) **"Vigil Committee"** means a committee of two persons consisting of the Managing Director and Executive Director.
- h) **"Whistleblower"** means an Employee or director making Protected Disclosure under this Policy.

3. YOUR DUTY TO REPORT

Everyone is required to report to the Company any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct and Ethics. It is important that you report all suspected violations. This includes possible accounting or financial reporting violations, insider trading, bribery, or violations of the anti-retaliation aspects of this Policy. Retaliation includes adverse actions, harassment, or discrimination in your employment relating to your reporting of a suspected violation.

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Reporting is crucial for early detection, proper investigation and remediation and deterrence of violations of Company policies or applicable laws. You should not fear any negative consequences for reporting reasonably suspected violations because retaliation for reporting suspected violations is strictly prohibited by Company policy. It is the policy of the Company that you must, when you reasonably suspect that a violation of an applicable law or the Company's Code of Conduct and Ethics has occurred or is occurring, report that potential violation. Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and such failure will be addressed with appropriate disciplinary action, including possible termination of employment.

4. SCOPE

4.1 This Policy is an extension of the Harish Textile Engineers Limited Code of Conduct and covers disclosures of any unethical and improper or malpractices and events involving:

- a. Breach of the Code of Conduct of the Company;
- b. Violation of terms and conditions of employment and rules thereof;
- c. Tampering the data/records of the Company;
- d. Misuse / damaging the properties / assets of the Company or misappropriation of the funds of the Company;
- e. Breach of Business integrity and ethics;
- f. Intentional financial irregularities, including fraud;
- g. Deliberate violation of laws/ Regulations;
- h. Pilferation of confidential/propriety information.

4.2 This Policy also covers events relating to breach of any of the Company's code of conduct or internal policies or such other practices as may be mandated by the HR Policy of the Company if the respective policies/code does not provide for appropriate mechanism for breach of the same.

Explanation: If any of the internal policy/code provides for appropriate mechanism of reporting breach or reporting of complaints then the whistleblower shall resort to such mechanism as provided in the specific code/policy however if the specific policy or

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code does not provide for appropriate means for reporting the compliant or breach of the code/policy then the same can be reported under this policy.

4.3 The Whistle Blower is expected only to report his concerns / grievances and not act as investigator or fact finders nor would they determine the appropriate corrective or remedial action in any given case nor will they be allowed to participate in any investigative activities other than as decided by the Vigil Committee / Audit Committee.

4.4 The policy neither releases employees from their duty of confidentiality in their course of work, nor is it a route for taking up grievances about a personal situation.

5. ELIGIBILITY

All Employees and directors of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning to the HTEL.

6. DISQUALIFICATIONS

6.1 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.

6.2 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.

6.3 Whistleblowers, who make any protected disclosures which have been subsequently found to be malafide, frivolous or malicious shall be liable to be prosecution as may be decided by the Vigil Committee or the Chairman of Audit Committee.

7. PROCEDURE

You must report all suspected violations to (i) your immediate supervisor; (ii) the Compliance Officer; by sending an e-mail to: investor@harishtextile.com

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If you have reason to believe that your immediate supervisor or the Compliance Officer is involved in the suspected violation, your report may be made to the Audit Committee of Company's Board of Directors (the "Audit Committee") at:

Chairperson

Audit Committee of Harish Textile Engineers Limited

2nd Floor, 19 Parsi Panchayat Road, Andheri East, Mumbai-400069.

Because you have several means of reporting, you never report to someone you believe may be involved in the suspected violation or from whom you would fear retaliation.

Your report should include as much information about the suspected violation as you can provide. Where possible, it should describe the nature of the suspected violation; the identities of persons involved in the suspected violation; a description of documents that relate to the suspected violation; and the time frame during which the suspected violation occurred. Where you have not reported anonymously, you may be contacted for further information.

Protected Disclosures should 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.

Before reporting such events, the director/employee has to ascertain that a violation has actually occurred and that the act or the omission is not based on what can be termed as a normal business decision.

Protected Disclosures 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.

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The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Vigil Committee / Audit Committee as it would not be possible for it to interview the Whistle Blowers.

8. INVESTIGATIONS AFTER YOU REPORT

The Chairman of Audit Committee (in exceptional cases) may at his / her discretion, consider involving any Investigators for the purpose of investigation. Everyone working for or with the Company has a duty to cooperate in the investigation of reports of violations. The decision to conduct an investigation taken by the Chairman of Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. All reports under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. Failure to cooperate in an investigation or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.

Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.

Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower.

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, couched, threatened or intimidated by the Subjects.

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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 evidence in support of the allegation.

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 Company.

The investigators shall complete the investigation within 45 (forty-five) days or within such extended period as may be granted by the Vigil Committee / Audit Committee, of the receipt of the Reported Disclosure and submit the report to the Vigil Committee / Chairman of the Audit Committee, as the case may be.

9. RETALIATION IS NOT TOLERATED

No one shall take any adverse action against any employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Company's Code of Conduct and Ethics. The Company takes reports of such retaliation seriously. Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment. Those working for or with the Company who engage in retaliation against reporting employees may also be subject to civil, criminal and administrative penalties.

10. PROTECTION

No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. Adequate safeguards against victimization of whistleblowers shall be provided. The Company will take steps to

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minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure.

The identity of the Whistleblower 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 Whistleblowers however whistleblowers and such employees are cautioned that their identity may become known for reasons outside the control of the Vigil Committee /Chairman of the Audit Committee/ Chairperson of the Company or any of the Investigators.

11. INVESTIGATORS

Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Vigil Committee / Audit Committee as the case may be when acting within the course and scope of their investigation.

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.

Investigations will be launched only after a preliminary review which establishes that the alleged act constitutes an improper or unethical activity or conduct, and either the allegation is supported by information specific enough to be investigated.

12. CONFIDENTIALITY

The Whistleblower, Vigil Committee, Chairman of the Audit Committee, Members of Audit Committee, Chairperson of the Company, subjects, any of the Investigators and everybody involved in the process shall maintain confidentiality of all matters under this policy, discuss only to the extent or with those person as required under this policy for completing the process of investigations and keep the papers in safe custody.

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13. DECISION

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

14. REPORTING

The Audit Committee shall submit a report to the management on a regular basis about all Protected Disclosures referred to him / her since the last report together with the results of investigations, if any.

15. 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 minimum period of five years or such other period as specified by any other law in force, whichever is more.

16. COMMUNICATION

Directors and employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

17. 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

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modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.

The Policy was adopted by the Board on June 21, 2019 and will be reviewed as and when deemed necessary.

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