

VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR

CHANDNI MACHINES LIMITED

PREFACE

Pursuant to Section 177(9) of the Companies Act, 2013 and clause 49 of the Listing Agreement every listed company shall establish a Whistle Blower/Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Company has adopted a Code of Conduct for Directors and Senior Management, which lays down the standards that should govern the actions of the Company and its employees. Vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairman in exceptional cases.

DEFINITIONS:

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

"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 read with Clause 52 of the SME Listing Agreement with the Stock Exchange.

"Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

"Code" means the Code of Conduct.

"Investigator(s)" means the person(s) authorised, appointed, consulted or approached by the Audit Committee and includes the Auditors of the Company and the Police.

"Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

"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.

"Whistle Blower" means an Employee making a Protected Disclosure under this Policy.

SCOPE

This Policy is an extension of the Code of Conduct. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigator(s) or finder(s) of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blowers 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 Audit Committee or the Investigator(s). Protected Disclosure will be appropriately dealt with by the Audit Committee.

ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures will be in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be addressed to the Whistle Officer of the Company or to the Chairman of the Audit Committee/ MD & Chairman in exceptional cases. The details of the Whistle Officer are as under:

Name & Address: Mr. Shailesh Sankav, Officer
Chandni Machines Limited

109 & 110, T V Industrial Estate, 52 SK Ahire Marg,
Worli, Mumbai-400030

Email: shaileshsankav@gmail.com

Protected Disclosures against Whistle Blower Officer should be addressed to the Chairman of the Company and Protected Disclosure against the MD & Chairman of the Company should be addressed to the Chairman of the Audit Committee.

**Name & Email Address of Chairman
(Audit Committee):** Mr. Rameshchand Garg

Email: rameshgarg55@yahoo.co.in

Name & Address of MD & Chairman Mr. Jayesh R Mehta

109 & 110, T V Industrial Estate, 52 SK Ahire
Marg, Worli, Mumbai-400030

Email: jrgroup@jrmehta.com

The Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised. The Protected Disclosures can also be reported verbally, either personally or over telephone to the Chairman of the Audit Committee, which should be followed by a written communication.

INVESTIGATION

All Protected Disclosures reported under the Policy will be thoroughly investigated by the Whistle Officer of the Company who will investigate/oversee the investigations under the authorization of the Audit Committee. Chairman of the Audit Committee/ Whistle Officer may at its discretion consider involving any investigators for the purpose of Investigation.

The decision of the Audit Committee to conduct an investigation, by itself is 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 Whistle Blower that an improper or unethical act was committed.

The identity of a Subject will be kept confidential to the extent possible keeping in mind the legitimate needs of law and the investigation.

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

Subjects shall have a 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 witness shall not be influenced, coerced, threatened or intimidated by the Subjects.

Subjects have the right to be informed of the outcome of the investigation. If the allegations are not sustained, the Subjects shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

Whistle Officer shall normally complete the investigations within 45 days of the receipt of protected disclosure.

Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

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.

PROTECTION

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 Blowers. Complete protection will, therefore, 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 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.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Audit Committee (e.g. during investigations carried out by Investigator(s)).

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

SECRECY/CONFIDENTIALITY

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

Maintain confidentiality of all matters under this Policy

Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

Not keep the papers unattended anywhere at any time

Keep the electronic mails / files under password.

DECISION

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend such disciplinary or corrective action as it deems fit. 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/staff conduct and disciplinary procedures.

REPORTING

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

RETENTION OF DOCUMENTS

All written Protected Disclosures along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

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 unless the same is notified to the Employees in writing.
