KHEMANI

KHEMANI DISTRIBUTORS & MARKETING LIMITED

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

[Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 & Companies Act, 2013]

KHEMANI

1. PREAMBLE

The Company is committed to conducting its business with the highest standards of integrity, transparency, and ethical conduct. The Whistle Blower Policy and Vigil Mechanism aims to provide a safe and secure environment for its Directors and employees to raise concerns regarding unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy.

This Policy is framed in accordance with the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 177 (9) of the Companies Act, 2013 and the rules made thereunder.

2. OBJECTIVE

- ✓ To provide a formal mechanism for employees, Directors, and stakeholders, to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct.
- ✓ To ensure that all disclosures made under this Policy are treated confidentially and are promptly and thoroughly investigated.
- ✓ To protect the Whistle Blower from any kind of discrimination, harassment, or victimization.

3. SCOPE OF THE POLICY

This Policy covers concerns which include but are not limited to:

- ✓ Breach of the Company's Code of Conduct.
- ✓ Misappropriation of Company's assets.
- ✓ Financial irregularities, including fraud or suspected fraud.
- ✓ Misuse or abuse of authority.
- ✓ Violation of any applicable laws or regulations.
- ✓ Breach of confidentiality or disclosure of proprietary information.
- ✓ Any other unethical or improper conduct.

4. ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under this Policy. In the appropriate and exceptional cases, other stakeholders be allowed to report concerns.

5. REPORTING MECHANISM

An essential component of the Whistle Blower Policy is the provision of secure and confidential channels for reporting concerns. It is imperative that all communications pertaining to disclosures, along with the identity of the reporting individual, are handled with the highest level of

confidentiality and protection. Employees may lodge a Protected Disclosure through any of the following modes:

Email:
By sending an email to the designated official or the Chairman of the Audit Committee, clearly mentioning the subject line as: *"Protected Disclosure under the Whistle Blower Policy."*

The disclosure can be sent to:
Email: investors@khemanigroup.net

Physical Letter:
By submitting a written complaint in a sealed and secure envelope, super-scribed with the words: "Protected Disclosure under the Whistle Blower Policy." The letter may be typed or handwritten (legibly) in Hindi or English, and should be addressed to the designated person or the Chairman of the Audit Committee.

The Company Secretary & Compliance Officer Khemani Distributors & Marketing Limited, Plot No.-D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhna, Bhestan, Surat, Gujarat, India, 394210	**The Chairman Audit Committee** Khemani Distributors & Marketing Limited, Plot No.-D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhna, Bhestan, Surat, Gujarat, India, 394210

Employees also have the option to submit a Protected Disclosure anonymously, without revealing their identity which shall be supported by substantial and verifiable evidence.

6. REPORTING GUIDELINES FOR WHISTLE BLOWING

To ensure effective handling of whistle blower complaints, the following information must be provided at the time of reporting:

- ✓ The nature of the suspected violation
- ✓ Identities of the individuals involved
- ✓ Date and time of the incident
- ✓ Location of the incident
- ✓ A clear description of the alleged misconduct or concern
- ✓ Reference to any documents or evidence related to the alleged violation

The complaint may be submitted in Hindi or English. Whistle Blowers are encouraged to provide any supporting evidence, if available, to facilitate a prompt and effective investigation and resolution.

Any individual found to have made false or malicious allegations against any person or against the Vigilance and Ethics Officer or the Chairman of the Audit Committee shall be liable for disciplinary action, as per the Company's rules, policies, and procedures.

A Whistle Blower may choose to withdraw their complaint within 10 days of submission by providing a written explanation with valid and satisfactory reasons.

7. CONFLICT OF INTEREST IN COMPLAINT HANDLING

In order to uphold fairness, transparency, and independence in the investigation process, the following measures shall apply in situations where a conflict of interest arises between the Complainant and the individuals responsible for handling the complaint:

Disclosure of Conflict: Any member of the Audit Committee, Ethics Committee, or designated authority who has a direct or indirect conflict of interest with the Complainant or the subject matter of the complaint must disclose such conflict at the earliest possible opportunity.

Recusal from Proceedings: The conflicted member shall refrain from participating in the review, investigation, or decision-making process pertaining to the complaint.

Alternate Appointment: In place of the conflicted member, the Audit Committee/Board shall nominate another independent member or authority to ensure impartial handling of the matter.

Documentation: All instances of conflict of interest, along with the steps taken to mitigate them, shall be appropriately documented in the records of the Audit Committee/Board.

Assurance of Fairness: The Complainant shall be assured that the complaint will be evaluated independently, without bias or undue influence from any conflicted party.

8. INVESTIGATION

All Protected Disclosures received under this Policy shall be duly recorded and subjected to a comprehensive and impartial investigation.

The Audit Committee shall oversee the investigation process and, at its discretion, may involve any other officer(s) of the Company or engage an external agency, as deemed appropriate, to conduct or support the investigation.

It is important to note that the initiation of an investigation does not, in itself, imply an accusation. It is purely a neutral fact-finding exercise to establish the validity of the concerns raised.

The concerned individual(s) (hereinafter referred to as the "Subject") shall, wherever practicable, be informed in writing about the allegations at the commencement of a formal investigation. They

shall be given an opportunity to present their views, be heard, and provide relevant information during the course of the investigation.

The Subject shall:

- ✓ Have a duty to fully cooperate with the Audit Committee or any person(s) appointed by it for conducting the investigation.
- ✓ Have the right to consult with any person(s) of their choice, except the Vigilance and Ethics Officer, Investigators, members of the Audit Committee, or the Whistle Blower.
- ✓ Refrain from interfering in any manner with the investigation process.
- ✓ Not withhold, destroy, or tamper with evidence, nor attempt to influence, coach, threaten, or intimidate any witnesses.

Unless exceptional circumstances exist, the Subject shall be given the opportunity to respond to any material findings before the conclusion of the investigation. No allegation shall be considered maintainable unless it is substantiated by credible evidence.
The Subject shall be informed of the outcome of the investigation. In cases where allegations are not substantiated, the Subject may be consulted on whether public disclosure of the investigation outcome is in there and the Company's best interest.

Investigations shall, as far as possible, be completed within 90 days from the date of receipt of the Protected Disclosure. This period may be extended by the Audit Committee, if deemed necessary, based on the complexity or scope of the investigation.

The decision of the Audit Committee shall be final and binding.

9. PROTECTION TO WHISTLE BLOWER

- ✓ The Company will ensure that no Whistle Blower is subject to any retaliation, threat, or harassment for making a Protected Disclosure.
- ✓ Disciplinary action will be taken against any person who threatens or retaliates against a Whistle Blower.
- ✓ Any abuse of this Policy with malicious intent will result in disciplinary action against the Whistle Blower.

10. CONFIDENTIALITY

- ✓ All disclosures and the identity of the Whistle Blower shall be kept strictly confidential to the extent possible unless required by law or for investigation purposes.

11. THE NOTION OF "GOOD FAITH"

"Good Faith" is a fundamental principle in whistle-blower protection and corporate governance. It requires that the whistle-blower has a genuine and reasonable belief that the reported concern is true or likely to be true, based on reasonable grounds.

This notion reflects the integrity and honest intent of the reporting individual, without any malicious intent or personal gain. It also implies a basic understanding of the law or governance standards potentially being violated.

Good faith ensures that the whistle-blower mechanism is used responsibly and supports a culture of transparency, ethics, and accountability.

12. SUGGESTIVE PENAL PROVISIONS

In cases where the accused is found guilty upon completion of the investigation, the Company may impose one or more of the following punitive actions, as deemed appropriate:

a) Issuance of a counselling or warning letter
b) Withholding of promotions and/or salary increments
c) Exclusion from bonus or performance review cycles
d) Termination of employment
e) Cancellation of existing Purchase or Work Orders
f) Recovery of financial losses incurred by the Company
g) Initiation of appropriate legal proceedings
h) Any other disciplinary action as may be deemed fit by the management

These measures shall be undertaken in alignment with the severity of the misconduct and in accordance with the Company's disciplinary policies and procedures.

13. DECISION AND REPORTING

- ✓ The Audit Committee will record its findings and recommend disciplinary or corrective action.
- ✓ A report with the number of complaints received under this Policy and their outcome shall be placed before the Board/Audit Committee periodically.

14. RETENTION OF DOCUMENTS

- ✓ All documentation pertaining to the complaints received, investigation, and final report shall be retained for a minimum of 8 years.

15. AMENDMENTS AND UPDATES

This Policy may be reviewed and amended by the Board from time to time, as deemed necessary or in line with applicable laws, regulations, or guidelines. In case of any regulatory changes inconsistent with this Policy, the provisions of such regulatory updates shall prevail.

#This policy was reviewed and approved by Board of directors in their meeting held on 21/05/2025#