

KEMISTAR CORPORATION LIMITED
CIN: L24233GJ1994PLC022845
VIGIL MECHANISM & WHISTLE POLICY

Section 177 of Companies Act, 2013, Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004, Circular no. CIR/CFD/POLICY CELL/2/2014 on April 17, 2014, issued by Securities and Exchange Board of India (SEBI) and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Clause 49 of the Listing Agreement provides for the formulation of internal policy and establishment of vigil mechanism, which extends to any level of the employment and by virtue of which any personnel who observes an unethical behavior, actual or suspected fraud or violation shall be able to approach the Audit Committee without necessarily.

APPLICABILITY OF THE POLICY:

This policy is a vigil mechanism applicable to all employees, officers and managerial personnel of the organisation who disclose alleged wrongful conduct, as defined in this policy, and, who as a result of the disclosure, are subject to any adverse personnel action.

POLICY:

No adverse personnel action may be taken against an employee in retaliation to his disclosure in good faith of any unethical and improper practice or wrongful conduct, which information the employee in good faith believes evidences:

- Violation of any law
- Breach of any internal control or company policy relating to financial malpractice or fraud
- Failure to comply with a legal obligation
- Criminal activity
- Miscarriage of justice
- Improper conduct or unethical behaviour
- Violation of the Company's Code of Business Conduct & Ethics
- Mismanagement
- Gross waste or misappropriation of funds
- Substantial and specific danger to public health and safety
- Abuse of authority, collectively referred to herein as "alleged wrongful conduct"
- Attempts to conceal any of the above
- This is not intended to be a complete list and any matter raised and any matter raised under this policy will be considered seriously.

No manager, director, department head, or any other employee with authority to make or materially influence significant personnel decisions shall take or recommend an adverse personnel action against an employee in knowing retaliation for disclosing alleged wrongful conduct to an Audit Committee

INTERPRETATION:

Terms that have been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or in any SEBI Regulation (s) as amended from time to time.

PROCEDURE:

Any employee who observe, any unethical & improper practices or alleged wrongful conduct shall make a disclosure to the Audit Committee as soon as possible but not later than 60 consecutive calendar days after becoming aware of the same.

- If the employee is unwilling or unable to put an oral disclosure in writing, he may approach Compliance Officer directly or through his superior or any other employee. The Compliance Officer shall prepare a written summary of the employee's disclosure and provide a copy to the employee.

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- Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received. In this regard, Audit Committee, if the circumstances so suggest, may appoint senior officer or a committee of managerial personnel to investigate into matter.
- Audit Committee shall have right to outline detailed procedure for an investigation.
- Where an Audit Committee has designated a senior officer or committee of managerial personnel for investigation, they shall mandatorily adhere to procedure outlined by Audit Committee for investigation.
- The Audit Committee or officer or Committee of managerial personnel, as the case may be, shall have right to call for any information/document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.
- A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.
- After considering the report, the Audit Committee shall determine the cause of action and may order for remedies which may inter-alia include:
Order for injunction to restrain continuous violation of this policy.
 - Reinstatement of the employee to the same position or to an equivalent position.
 - Order for compensation for lost wages, remuneration or any other benefits, etc.

A complainant who is dissatisfied with the decision of the company officer on the whistleblower complaint may file a request for a whistleblower hearing and proceed under the procedures as may be prescribed by the Audit Committee.

RETENTION OF RECORDS:

The Audit Committee shall retain, for a period of seven years, all records relating to:

- any accounting allegation or legal allegation or report of a retaliatory act, and
- the investigation of any such report.

MODIFICATION / REVISION IN THE POLICY:

The Audit Committee of the company can modify / revise this policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws and regulations and/or accommodation organizational changes within the company. Any modification or revision will be communicated appropriately.

ANNUAL REPORTING:

The Company shall annually affirm that it has not denied any personnel from accessing to Audit Committee and that it has provided protection to whistle blower from adverse personnel action. It will be part of Corporate Governance Report as attached to the Annual Report of the Company.