

CHAUDHARY TIMBER INDUSTRIES PRIVATE LIMITED, NEW DELHI

WHISTLE BLOWER POLICY / VIGIL MECHANISM OF CHAUDHARY TIMBER INDUSTRIES PRIVATE LIMITED

1. BACKGROUND

As per Sub section (9) and (10) of section 177 of Companies Act, 2013 Read with rule 7 (of Companies Meeting of Board and Its Power) Rules, 2014. Every Listed every and Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establishment Vigil Mechanism.

2. POLICY OBJECTIVES.

2.1. A Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the director nominated to play the role of Audit Committee.

3. SCOPE OF THE POLICY.

3.1. This Policy covers malpractices and events which have taken place or suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning.

4. DEFINITIONS.

4.1. "Alleged wrongful conduct" shall mean violation of law, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

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4.2. "Nominated Director" means a Director Nominated by the Board of Directors of the Company to play role of audit committee for purpose of vigil mechanism to whom other directors and employee may report their concerns.

4.3. "Board" means the Board of Directors of the Company.

4.4. "Company" means Chaudhary Timber Industries Private Limited.

4.5. "Employee" means all the present employees and Directors of the Company.

4.6. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

4.7. "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

4.8. "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

5. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

5.1. Protected Disclosures should be reported in writing by the complainant as soon after the whistle blower becomes aware of the same so as to ensure clear understanding of the issues raised and should either be typed or write in a legible handwriting in English or in Hindi.

5.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the whistle blower policy". If the complaint is not super scribed and closed as mentioned above it will not be possible for the Director Nominated to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.

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In order to Protect identity of the complainant, the Director Nominated will not issue any acknowledgement to the complainant and the complainants are advised neither to write the name / address of the complainant on the envelope nor to enter into any further correspondence with Director Nominated assures that in case any further clarification is required he will get in touch with the complainant.

5.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Nominated Director.

5.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nominated Director shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

5.5. All Protected Disclosures should be addressed to the Nominated Director of the Company. The contact details of the Nominated Director is as under:-

Name and Address of Nominated Director - Shri. Vishal Nijhawan, Chaudhary Timber Industries Private Limited ,RZ 20,Amar Colony ,Main Rohtak Road ,Nangloi ,New Delhi 110041.

5.7. On receipt of the protected disclosure Nominated Director shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not before referring for investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the Same subject;
- d) Findings of the Nominated Director;
- e) The recommendations of the Nominated Director / other action(s).

5.8 The Nominated Director if deems fit may call for further information or particulars from the complainant.

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6. INVESTIGATION

6.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Nominated Director may investigate.

6.2. The decision to conduct an investigation taken Nominated Director is by itself not an accusation and is to be treated as a neutral fact finding process.

6.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

6.4. Subject(s) shall have a duty to co-operate with the Nominated Director in this regard to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.

6.5. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

6.7. The investigation shall be completed normally within 30 days of the receipt of the protected disclosure and is extendable by such period as the Nominated Director deems fit and as applicable.

7. DECISION AND REPORTING

7.1. Nominated Director after examination matter will take further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the complainant and the subject.

7.2. If the report of investigation is not to the satisfaction of the complainant, the complainant has been right to report the event to the appropriate legal or investigating agency.

7.3. A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the Nominated Director shall be subject to appropriate disciplinary action in accordance with procedures and policies of the Company from time to time.

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8. **SECRECY / CONFIDENTIALITY.**

8.1. The complainant, Nominated Director, the Subject and everybody involved in the process shall:

- 8.1.1. Maintain confidentiality of all matters under this Policy
- 8.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- 8.1.3. Not keep the papers unattended anywhere at any time
- 8.1.4. Keep the electronic mails / files under password.

9. **PROTECTION.**

9.1. 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.

9.2. A Whistle Blower may report any violation of the above clause to Nominated Director, who shall investigate into the same and recommend suitable action to the management. Or take by himself.

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

10. **RETENTION OF DOCUMENTS.**

10.1. All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Nominated Director for a period of 5 (five) years or such other period as specified by and other law in force, whichever is more.

11. **ADMINISTRATION AND REVIEW OF THE POLICY.**

11.1. The Nominated Director shall be responsible for the administration, interpretation, application and review of this policy. The Nominated Director also shall be empowered to bring about necessary changes to this Policy.

