

## **NATIONAL COMMODITY CLEARING LIMITED**

### **VIGIL MECHANISM / WHISTLEBLOWER POLICY**

#### **1. Background:**

- a. NCCL is committed to comply with the highest standards of professionalism, honesty, integrity and ethics, in line with the Company's Code of Conduct. NCCL understands that these standards are crucial to its continued success and reputation. NCCL Code of Conduct, and policies guide its everyday conduct. Being an MII, each one at NCCL has a professional responsibility to speak up and report against or in respect of any unethical behaviour suspected or noted.
- b. NCCL's Whistle Blower Policy (Policy) is an important element in detecting unethical, unlawful or improper practices, acts or activities as also corrupt, illegal or other undesirable conduct. NCCL therefore encourages its employees to speak up, complain or report against in respect of any suspected or witnessed matters of concern. NCCL takes all such complaints/reports made under this Policy very seriously.
- c. Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) [as amended on 10<sup>th</sup> July, 2024] mandates that every listed entity formulate a vigil mechanism / whistle blower policy for directors and employees to report genuine concerns. And further that the said vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
- d. Section 177 (9) of the Companies Act, 2013 also mandates every listed company and such class or classes of companies, as may be prescribed, to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- e. SEBI vide Clause 1.6 of its circular no. SEBI/HO/MRD/POD-3/P/CIR/2024/162 dated November 22, 2024 in respect of the Guidelines to Stock Exchanges, Clearing Corporations and Depositories, has further advised to strengthen the whistle blower mechanism in line with the norms specified for listed entities under the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f. This Whistle Blower Policy lays down the standardized internal mechanism, process and procedure to be followed by the Audit Committee to receive and investigate the Whistle Blower Complaints in respect of any financial or operational mismanagement/irregularity(ies), preferential treatment to certain stakeholders, conflict of interest in any manner, violation of legal or regulatory provisions etc., or in respect of any instances of misconduct such as bribery, corruption, fraud, unethical behaviour (actual or suspected), or violation of Code of Conduct by any employee or management or in respect of any other issue, which does not fall under the aforementioned categories.

## **2. Aim of the Whistle Blower Policy:**

The policy aims to provide for a secure environment and to encourage Directors / employees of the Company to report any such acts or activities which amounts to a wrongdoing and to prohibit company from taking any adverse personnel action against those employees who report such practices in good faith. This Whistle Blower Policy also aims to provide adequate safeguards against victimization of Director(s) and employee(s) who avail the mechanism under this Policy and also prescribes procedure to provide them, the direct access to the Chairperson of Audit Committee to report any such misconduct or wrongdoing at Company.

## **3. Definition**

- a. "Anonymous complaint" means any complaint that does not bear the name and address (verifiable) of the Whistle Blower/complainant.
- b. "Audit Committee" means the Audit Committee of NCCL constituted by the Board of Directors of the Company in accordance with applicable provisions of law and any amendments thereon, directions of SEBI from time to time headed by a Chairperson.
- c. "Company" means the National Commodity Clearing Limited (NCCL)
- d. "Director" includes the Non-Independent Director, and Public Interest Director, as defined in Regulations 2(1)(ka) and 2(1)(o) respectively of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
- e. "Employee" means every employee of the Company, including its Managing Director or any other employee designated as director and in the employment of the Company.
- f. "Governing Board" means the Board of the Company.
- g. "Pseudonymous complaint" means a complaint that does not bear the full particulars of the Whistle Blower/complainant or is unsigned or is not subsequently acknowledged by a Whistle Blower as having been made.
- h. "Public Interest Disclosure" means any Complaint made by the Whistle Blower that discloses or demonstrates information that may be evidence of unethical or improper activity and which has been marked by him on the Envelope/Cover with the words "PUBLIC INTEREST DISCLOSURE / COMPLAINT"
- i. 'Whistle Blower' means a person, or a group of persons making Public Interest Disclosure.

## **4. Eligibility**

To qualify a complaint as the Public Interest Disclosure, it shall be made by the Whistle Blower, as soon as possible but not later than seven years from the date on which the incident being reported is alleged to have taken place. Any Public Interest Disclosure made after the expiry of seven years from the date of the incident being reported shall be ordinarily filed for the purpose of record and shall not be considered for any further action under this Policy. However, the details of such Complaints shall be

periodically be submitted to the Governing Board and further action, if admissible under the Complaint Policy of the Company, shall be initiated.

## **5. Disqualification**

The Audit Committee reserves its right to take/recommend such appropriate action, as deemed fit, against the Whistle Blower, where the Public Interest Disclosure(s) is found to be, frivolous, baseless, malicious, and made with *mala fide* and /or with some ulterior motive. Such appropriate action may include *inter alia* disqualifying such Whistle Blower for the time period, as may be deemed fit by the Audit Committee.

## **6. Handling of Anonymous/Pseudonymous Complaint:**

- a) The complaint under this Policy shall be made / submitted in a closed / secured envelope.
- b) The envelope should be addressed to “Chairman of the Audit Committee of NCCL” having office at the address as described in Clause 9 of this Policy and should be superscribed ““PUBLIC INTEREST DISCLOSURE / COMPLAINT””.
- c) If any case, where the envelope is not superscribed and closed / secured as above, it will not be possible for the Audit Committee to protect the Whistle Blower / Complainant under this Policy and such Complaint shall be dealt with as per the normal complaint policy of the Company.
- d) Anonymous Complaint shall not be acted upon under Whistle Blower Policy. However, the same will be reported by the Audit Committee, in its periodical report, to the Governing Board.
- e) In cases of Pseudonymous complaint, effort(s) will be made to reach out to the Complainant, duly following the procedure of protecting his/her/its identity, for confirmation / genuineness and verification to the extent possible and the details, if further received from the Complainant, shall be taken on record, duly recording the process of verification and the record of such proceedings/ process same shall be sealed in an envelope, marking “ADDITIONAL PUBLIC INTEREST DISCLOSURE”
- f) In any case, where no response is received from the Complainant (approached as per the information available on record) within 7 days of the communication having been received by him/her/it, a reminder will be issued/sent giving a period of another 7 days for furnishing the requisitioned information/details.
- g) In case no response is received to the reminder, as above, the said Complaint shall be filed as pseudonymous and shall not be acted upon under Whistle Blower Policy. However, the same will be forwarded to the Governing Board by the Audit Committee for information, record and further directions, if any, in said case, depending upon the subject or context of the complaint.
- h) The Audit Committee shall be the final authority for take the decision designating any Complaint as Anonymous or Pseudonymous Complaint.
- i) For every Complaint received under this Policy, the Audit Committee, shall appoint a Member or Members, as deemed appropriate by it, from amongst its Committee members, for the purpose of further processing and action in respect of the Complaint.

## 7. Public Interest Disclosure

- i. Public Interest 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. To the extent possible, following information should be covered in the Public Interest Disclosure:
  - a. name of the Employee(s) and / or Third-Party Stakeholder(s), if any, against whom the incident is being reported.;
  - b. the details of the nature of the matter or the division / department of the Company viz: Operations, Technology, Finance, Human Resources, Regulatory and Governance etc.;
  - c. factual background concerning the matter in detail.
- ii. Protection of Whistle Blower:
  - a. The identity of the Whistle Blower shall be kept confidential at all times.
  - b. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower, as such no unfair treatment, in any manner whatsoever, shall be meted out to the Whistle Blower by virtue of his/her/it having reported a Public Interest Disclosure under this Policy.
  - c. Complete protection shall, be provided to Whistle Blower against any unfair practice like :-
    - i. retaliation, threat or intimidation by way of any action viz: termination/suspension from employment, or,
    - ii. initiation of any retaliatory disciplinary action or
    - iii. transfer, demotion, or denial of any promotion or
    - iv. discrimination or harassment or biased behaviour of any kind,
    - v. any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her/its duties/functions including making further Protected Disclosure(s).
    - vi. or any other action detrimental to the Whistle-blower;

Provided that the Policy shall not be a bar for initiating/ taking any regular administrative / disciplinary action, in the interest of the Company, which may have result or bearing on the Whistle-blower.

- d. The Company shall take necessary and appropriate steps that no difficulties, are experienced by the Whistle Blower on account of having made the Public Interest Disclosure. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent and in the same manner as the Whistle Blower.
- e. The bar on protecting the identity of the Whistle Blower would not applicable, if, the Whistle Blower (him/her/it)self discloses or makes statement, on any platform, in any manner regarding the Public Interest Disclosure made by him to the Company.
- f. There also shall be no bar on the disclosure of the details in respect of Whistle Blower, in case the same is/are requisitioned by way of any written directions / Notice/ Order, by any Court, or any authorized Government Investigation Agency, Police, Regulatory Authority, etc.

- g. The vigil mechanism under this Policy provides for adequate safeguards against victimisation of persons who use such mechanism and also provides to such persons, for direct access to the Chairperson of the Audit Committee.

## **8. Investigation and Decision**

- a) The Whistle-blower complaint received under this Policy shall be investigated by the Audit Committee of NCCL.
- b) The Audit Committee shall take appropriate decisions including further course of action with respect to the whistle blower complaint.
- c) The Audit Committee shall thereafter deliberate upon the matter, including calling upon such documentary/oral evidence from the Company and/or enlisting the services of professionals like chartered accountants to examine the matter referred under the complaint. This would also include examination of officials of the Company and giving them an opportunity to explain their stand *vis-à-vis* the complaint.
- d) The Audit Committee depending on the outcome of its examination of documentary/oral evidence and/or report of professionals may decide upon the course of action it considers necessary. In all these processes, the Audit Committee may adopt such suitable procedures that it considers most appropriate and accordingly levy such strictures, penalties and other form of deterrent/reprimands, appropriate to the case under scrutiny.
- e) In case, Audit Committee is unable to make any decisions in the matter, same shall be escalated to the Governing Board.
- f) The Audit Committee shall submit the report to the Governing Board of Company as per clause 13 of this policy.
- g) In case the complaint is against any Director / Managing Director of the Company, the same shall be referred to the Chairman of Governing Board.
- h) The Director(s) against whom the complaint is received shall not participate at the meeting convened for discussing the matter. The Audit Committee or the Governing Board as the case may be, would hear and adjudicate on the said complaint.
- i) The investigation shall be endeavoured to be completed by the Member(s) assigned within 60 working days from the receipt of the said complaint. In case the investigation is not completed within the prescribed period of 60 working days, a report in this regard shall be submitted to the Chairman of the Audit Committee, who may extend the time limit by a period of 30 working days at one time.
- j) The Audit Committee, if after conducting an investigation, is of the opinion that:
  - (i) The facts and allegations contained in the complaint are frivolous or vexatious or there are no sufficient grounds for proceeding with investigations, it shall close the matter.

- (ii) The Audit Committee shall exercise utmost care and caution not to disclose the identity of the concerned person(s) making the complaint and/or the person complained against, except where it is required to be so disclosed for purpose of carrying out the decision of the Audit Committee.
- (iii) Such disclosure would be to that extent of disclosing the names to the authority (generally, the Human Resources Department of the Company) that is in a position to carry out the decisions of the Audit Committee as also to such outside external agency(ies), if any, that had initially referred the complaint to the Company.

## 9. Mode of communication

- i) All complaints, other than those made under exceptional cases, shall be made in writing through a letter to be submitted in sealed cover. The complaint is to be addressed to the Chairman of the Audit Committee and send to the following address.

To,  
Chairman of the Audit Committee of NCCL  
National Commodity Clearing Limited  
Akruti Corporate Park, 1<sup>st</sup> Floor,  
Near G. E. Garden, L.B.S. Marg,  
Kanjurmarg (West), Mumbai – 400 078

- ii) The complaint may also be sent through email to the designated email id i.e., [chairmanauditcommittee@nccl.co.in](mailto:chairmanauditcommittee@nccl.co.in).
- iii) In exceptional case, a complaint against the Chairman of Audit Committee, the complainant can make a Protected Disclosure directly to the Chairman of the Governing Board of NCCL, at [chairman@nccl.co.in](mailto:chairman@nccl.co.in). Further that, in case of any such Protected Disclosure, the investigation / further proceedings shall be carried out by the Chairman of the Governing Board of NCCL, in the same manner as prescribed in para 8 of this policy.
- iv) In the event of receipt of any Complaint / Protected Disclosure, against the Chairman of the Audit Committee, either physically or on the designated email id, the Audit Committee Chairman, shall, without any delay, forward the said Complaint to the Chairman, Governing Board, for further necessary action and shall recuse himself/herself from handling such complaint.
- v) In the event of receipt of any Complaint / Protected Disclosure, against any particular member of the Audit Committee, the Audit Committee Chairman, shall, without any delay, forward the said Complaint to the Chairman, Governing Board, for further necessary directions and shall also maintain complete confidentiality, as mandated under Clause 7(ii)(a) of this Policy
- vi) In case of receipt of any Complaint / Protected Disclosure against the entire Audit Committee, the same shall be solely handled by the Chairman of the Governing Board, who may appoint any member(s), as deem fit, and the investigation into such complaint shall be in the manner as prescribed in para 8 of this policy, apart from any other administrative action as may be deemed fit in this regard.

## **10. Retention of Documents**

- i) All the Complaints received under this Policy, a proper Register shall be maintained by the Audit Committee, maintaining utmost confidentiality. The format of the Register is as per Annexure -1 to this Policy.
- ii) All Protected Disclosures/ Complaints received and processed under this Policy, along with the record of investigation / inquiry conducted in that regard, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is higher.

## **11. Disclosure**

The details of establishment of this Policy would be displayed on the Company's website and also in the Board's Report.

## **12. Implementation of Policy**

A copy of this Policy shall be uploaded on the website of the Company. The HR department shall ensure that the Policy is available to all the employees of the Company.

## **13. Reporting to Governing Board**

The Audit Committee shall submit a report to the Governing Board containing the details of all Whistle Blower complaints received on a quarterly basis and decisions if any taken with respect to such complaints in the next Governing Board meeting after the end of the quarter (i.e., June, September, December and March).

## **14. Review:**

The Whistle Blower Policy shall be reviewed by Regulatory Oversight Committee annually or earlier if there are any significant changes in the applicable regulations.