

WHISTLE BLOWER

1. Objective

The objectives of Company's Whistle Blower Policy are: -

- 1.1 To provide for a vigil mechanism enabling the Employees / Directors, to raise genuine concerns as provided for under this Policy.
- 1.2 To provide adequate safeguards and reassurance of the protection to the Whistle Blower from reprisals, discrimination or victimization.
- 1.3 To provide with a framework concerning the reporting, investigation and to appropriately address the incidents.
- 1.4 To provide direct access to the appropriate authority, where senior management / Directors are involved;
- 1.5 To provide for mandatory periodic review of the functioning of this framework by the Audit Committee of the Board.

2. Definitions

- 2.1. "Audit Committee" means the audit committee of directors duly constituted by the Board of Directors of the Company in accordance with Companies Act, 2013. In the event an Audit Committee is not constituted (i.e. for CCIL's subsidiaries), reference to 'Audit Committee', for the limited purpose of this Policy shall mean the Director as may be nominated from time to time by the Board of CCIL's subsidiaries in accordance with Rule 7 (3) of the *Companies (Meeting of the Board and its Powers) Rules, 2014*, as amended from time to time.

Accordingly, the Chairperson of the Audit Committee shall also be construed as the 'Director' so nominated under the Rule referred hereinabove.

- 2.2. "Board" means the Board of Directors of the Company.
- 2.3. "Chairperson" means chairperson of the Board, appointed under the Companies Act, read with the Directions for Central Counterparties (CCPs) issued by Reserve Bank of India (RBI) as amended from time to time.
- 2.4. "Company" means The Clearing Corporation of India Ltd. (CCIL) along with its subsidiaries
- 2.5. "Director(s)" means the director(s) appointed on the Board under the Companies Act, 2013 as amended from time to time.;
- 2.6. "Employee(s)" means all employees of the Company.
- 2.7. "Incident(s)" means a genuine concern including but not limited to an action or inaction leading to breach of applicable law or breach of Company's policies/code/regulations /guidelines or questionable business practices or grave misconduct as may be reported under this Policy.

However, any suggestions for improvement of operational efficiency of the products / services of the Company shall not be considered as whistle blower complaint under this Policy if so decided by the Audit Committee and the same will be disposed off in the manner as decided by the Audit Committee.

- 2.8. “Managing Director” means managing director of the Company appointed under the Companies Act, 2013 read with the Directions for Central Counterparties (CCPs) issued by Reserve Bank of India (RBI) as amended from time to time. For the limited purpose of this Policy, in the context of LEIL, Managing Director shall mean the ‘Director’ as may be nominated by the Board.
- 2.9. “Policy” means this Whistle Blower Policy.
- 2.10. “Reported Disclosure(s)” means any communication or complaint in writing (including evidence, if any), whether by letter or email relating to any Incident made in good faith by a Whistle Blower.
- 2.11. “Reporting Authority” means:
- a. Officer In-Charge of Internal Audit Department except in case of (b) and (c) below;
 - b. The Managing Director in case the complaint is against Officer In-Charge, Internal Audit Department;
 - c. The Chairperson of the Audit Committee/ Company as the case may be, in case the complaint is against a Director.
- 2.12. “Subject” means a person against or in relation to whom a complaint has been made or evidence gathered during the course of an investigation.
- 2.12. “Whistle Blower” means the Employee or Director of the Company who reports a complaint under this Policy.
- Reference to any gender in this Policy shall be construed as a gender neutral reference.

3. Applicability

This Policy applies to all the Employees and Directors of the Company.

4. Reporting of Incidents

Employees / Directors may report any Incident with full facts to the Reporting Authority / Chairperson of the Audit Committee in exceptional cases as per the procedure outlined in paragraph 5 below. Such report shall be made immediately upon notice of or having knowledge of the happening or occurrence of an Incident. Deliberate inaction by any Employee / Director may leave scope for being construed as passive complicity and rendering them liable for appropriate action by the Company.

5. Procedure for Reporting

5.1. Any Employee or Director, who has reason to believe that he / she has become aware of any Incident shall immediately report those facts to the ‘Reporting Authority’.

5.2. The Incident(s) may, as an exception, be reported to the Chairperson of the Audit Committee, including but not limited to events such as suspicion or perceived involvement or linkage of the Reporting Authority/ Director(s)/ Senior Management to the Incident.

5.3. Reported 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.

5.4. Mail address / Email ID for the purpose of reporting by the Whistle Blower is as follows:

- a. By letter in closed/sealed envelope marked 'Confidential' and addressed to- "Officer In-Charge, Internal Audit
CCIL Bhavan, S K Bole Road, Dadar (W)
Mumbai 400028"
- b. By way of email addressed to-
"reportingofficer@ccilindia.co.
in"

In exceptional cases an Incident may be reported:

- a. By letter in closed/sealed envelope marked 'Confidential' and addressed to-
The Chairperson of the Audit Committee, if constituted / Director nominated, as the case may be
Internal Audit Department
CCIL Bhavan, S K Bole Road, Dadar
(W) Mumbai 400028"

[Internal Audit Department shall ensure that the communication so received is delivered to the Chairperson of the Audit Committee and strict confidentiality is maintained.]

- b. By way of email addressed to-
"AC.Chair@ccilindia.co.in"

5.5. Reporting Mechanism for Anonymous Complaints

5.5.1. An 'anonymous complaint' may be made via email/ sealed letter to the address (es) provided in Para 5.4 above. Any 'anonymous complaint' received by the Reporting Authority shall be referred to the Whistle Blower Panel as provided under Para 6 of the Policy.

5.5.2. When an anonymous Whistle Blower provides specific and credible information/evidence that supports the anonymous complaint (i.e. alleged Subject, specific evidence, type of incident, amount involved, among other information/evidence etc.), which enables the Whistle Blower Panel to proceed further with the complaint, the process provided under Para 7 and Para 8 of the Policy, as may be applicable, shall be followed.

5.5.3. However, in case there is no sufficient information/evidence to proceed with the complaint, the Whistle Blower Panel shall submit a report to the Managing Director with its recommendation on the matter based on the merits of the issue. On approval of the Managing Director, the matter may be dismissed and subsequently be reported to the Audit Committee.

5.5.4. Notwithstanding anything contained in 5.5.1 to 5.5.3 above, in case of anonymous complaints involving any Director, the same shall forthwith be forwarded for necessary action to the appropriate Reporting Authority in case of actionable complaints with valid evidence/information.

Provided that, in case of insufficiency of evidence/information such anonymous complaint shall be submitted to the Chairperson of the Audit Committee who shall have the powers to dispose off such complaints in such manner as may be deemed fit.

6. Whistle Blower Panel

6.1 All the Reported Disclosure(s) received by the Officer In-Charge; Internal Audit Department / Managing Director as Reporting Authority under this Policy may be referred to the Whistle Blower Panel comprising the following senior officials of the Company:

- i) HOD – HRD
- ii) HOD Legal
- iii) HOD Risk

Where the Reported Disclosure(s) pertains to any of the above senior officials of the Company, the said official shall be recused from the Whistle Blower Panel. Provided however that the Managing Director in his discretion may nominate any senior official (s) on the Whistle Blower Panel.

6.2 In case of the Reported Disclosure(s) received directly by the Audit Committee Chairperson, the same may be referred to the above Whistle Blower Panel or the Audit Committee may decide any other manner of investigation as it may deem appropriate.

7. Preliminary screening and evaluation of complaints

7.1. The Whistle Blower Panel shall carry out such preliminary screening/ investigation of the Reported Disclosures as appropriate to check the veracity of the complaints based on verifiable facts, before proceeding to carry on further investigation.

7.2. If based on such preliminary screening / investigation, it turns out that the complaint was frivolous/ vexatious; the Whistle Blower Panel shall submit a report to the Managing Director with recommendation to drop / close the matter. The Managing Director, may at his/her discretion, decide to accept the recommendation and close the matter and the matter shall be reported to the Audit Committee in its subsequent meeting.

7.3. In case of repeated frivolous complaints being filed by the same Director or Employee, suitable action may be initiated against the concerned Director or Employee including reprimand.

8. Investigation

- 8.1. All Reported Disclosures received from Employees under this Policy shall be promptly and thoroughly investigated by the Whistle Blower Panel, who shall take necessary and prudent steps as deemed necessary for processing of complaints.
- 8.2. If an investigation leads to the conclusion that an improper or unethical act has been committed, the Whistle Blower Panel shall recommend to the Managing Director to take such disciplinary or corrective action as they may deem fit.
- 8.3. Upon approval of the Managing Director, the recommendations of the Whistle Blower Panel shall be submitted to the Audit Committee.
- 8.4. Audit Committee may in its discretion accept the recommendations with or without modifications. Audit Committee shall also have the discretion to advise further investigation as it may deem appropriate.
- 8.5. Audit Committee may decide on the Investigation procedure for Reported Disclosures directly received by the Chairperson of the Audit Committee. The Audit Committee may also engage an external expert for investigation if it deems appropriate in any specific case.
- 8.6. 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 disciplinary procedures.
- 8.7. All information disclosed during the course of the investigation and identity of Subject shall remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.
- 8.8. The investigation of such complaints and finalization of the course of action shall be completed within a period of 8 weeks from the date of reporting of the complaint or any extended period as may be permitted by the Managing Director in respect of the complaints received by the Reporting Authority or the Audit Committee Chairperson in case of the complaints directly received by the Audit Committee Chairperson.
- 8.9. The Subject and all Employees including supervisors and senior management and Directors shall be duty bound to cooperate in the investigation of the complaints as regards the Incident(s).
- 8.10. An Employee/Director shall be subject to such action as may be deemed appropriate within the framework of applicable laws / rules / regulations, if the Employee/Director fails to cooperate in an investigation, or deliberately conceals information or provides false or misleading information during an investigation.
- 8.11. In case of Reported Disclosures received involving any Director(s), the Audit Committee may decide on the investigation procedure for such complaints. The Audit Committee may also engage an external expert for investigation if it deems appropriate in any specific case.

9. Protection to Whistle Blowers from Discrimination, retaliation or harassment

- 9.1. Company strictly prohibits any discrimination, retaliation or harassment against any person who reports incidents of violation of any law, questionable business practices or grave misconduct and who participates in an investigation of complaints about violation of any law, questionable business practices or grave misconduct under this Policy.
- 9.2. If any Employee / Director who has reported an Incident later believes that he / she has been subject to discrimination, retaliation or harassment he / she must immediately report those facts to the 'Reporting Authority'.
- 9.3. The identity of the Whistle Blower shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower would be informed accordingly.
- 9.4. Managers, supervisors, employees or directors who caused such discrimination, retaliation or harassment related to any reporting of 'Incidents' or investigation of violation of any law, questionable business practices or grave misconduct shall be subjected to prompt and thorough investigation and appropriate action shall be initiated against them within the framework of applicable laws / rules / regulations.
- 9.5. If the Employee/Director was subjected to any continued discrimination, retaliation or harassment in any manner, he/she is entitled to bring this to the notice of the Managing Director or the Chairperson of the Audit Committee of the Board or Chairperson of the Company in exceptional cases with supporting facts. The Managing Director/Chairperson of the Audit Committee/ Chairperson of the Company shall hold an independent impartial inquiry of such a complaint expeditiously and set right any injustice, if done, to the aggrieved Employee / Director through appropriate remedial/ mitigating measures.

10. Reporting

10.1. The Reporting Authority / Chairperson of the Audit Committee, in exceptional case, shall submit a report to the Audit Committee at set frequencies, as may be prescribed by the Audit Committee, of all the 'Reported Disclosures' referred to him/her since the last report together with the results of investigations, if any, actions recommended and progress of implementation. The Audit Committee shall consider the report and direct such action as it may deem appropriate. If any of the members of the Audit Committee have a conflict of interest in any reported case, he/she shall recuse himself/herself from the discussion and the remaining members of the Committee would deal the matter.

10.2. Notwithstanding anything contained in 10.1 above, a quarterly 'report' shall be placed before the Audit Committee (if constituted)/ Board as the case may be, even for the period where no 'Reported Disclosures' or any other related action has occurred or is prescribed by the Audit Committee.

10.3. Communication to Whistle Blower

Wherever required and as may be determined appropriate by the Whistle Blower Panel/Audit Committee, the final status of the Reported Disclosure relating to an Incident will be communicated to the Whistle Blower through appropriate means, except in such cases where the complaint is anonymous.

11. **Retention of Records**

All documents related to the reporting, investigation and enforcement of this Policy shall be maintained in accordance with the applicable laws and the record retention requirements specified by the Company.

12. **Reporting to External Authorities**

Employees / Directors are required to report violation of any law, any questionable business practices or acts of grave misconduct to the Company first, before reporting to external authority like the regulator, police, etc., as it is the responsibility of the Company to check the veracity and authenticity of such complaints and ensure that the correct information / particulars are provided to such external agencies / authorities.

13. **Communication to all Employees/Directors:**

The Policy shall be communicated by the Internal Audit Department to all Employees through appropriate channels including circular and hosting on Company's intranet and to the Directors through the Secretarial Dept. including hosting details of vigil mechanism on Company's website.

14. **Residual Powers**

If there is any doubt on any of the definitions or if any clarifications are required on this Policy, the Audit Committee shall be the final authority in resolving such doubts and/or to issue clarifications or for deciding any matter hereunder.

15. **Conflicts**

In the event of any inconsistency between the Policy and any applicable law(s), the provisions of the applicable law(s) shall override this Policy.

16. **Review and Modification of the Policy**

The Policy shall be reviewed annually. The Policy may be amended as may be considered necessary upon such review or upon any change in applicable law from time to time. Such modifications in the Policy will be approved by the Board of Directors upon recommendation of the Audit Committee.
