



## BLB COMMODITIES LIMITED

### VIGIL MECHANISM/WHISTLE BLOWER POLICY



## **1. PREAMBLE:**

M/s BLB Commodities Limited ("the Company") is an unlisted public Limited Company incorporated under The Companies Act, 1956.

### **(i) OBJECTIVES:**

The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standard of professionalism, honesty, integrity and ethical behavior and in accordance with all applicable laws and regulations. In pursuit of the same, the Company encourages employees to raise genuine concern about any unethical behavior, willful violation of applicable laws, actual or suspected fraud or violation of Company's ethics in the work place.

In its endeavor to provide secure and fearless working environment the Company has adopted "The Vigil Mechanism and Whistle Blower Policy" ("the Policy") which aims to provide a channel to the Directors and Employees to report the genuine concerns about unethical behavioral, actual or suspected fraud, violation or an event of misconduct or act not in the Company's interest.

### **(ii) LEGAL REQUIREMENT:**

In terms of Section 177 of the Companies Act, 2013 ("the Act") read with Rule (7) of the Companies (Meetings of Board and its Powers) Rules, 2014, every Company failing in any of the following criteria is required to have vigil mechanism for Directors and employees to report genuine concerns:

- Every Listed Company;
- Every other Company which accepts deposits from the public;
- Every other Company which has borrowed money from banks and public financial institutions in excess of Rs. 50 Crores.

### **(iii) APPROVAL OF BOARD:**

Accordingly the Company has established Vigil Mechanism and Whistle Blower Policy to provide a framework for responsible secure whistle blowing/ vigil mechanism approved by the Board of Directors in their meeting held on May 29, 2017, which can be amended by the Board from time to time.



## 2. TERMS AND DEFINITIONS:

- (i) **"Company"** means BLB Commodities Limited.
- (ii) **"Audit Committee"** means the Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013, which is responsible for supervising the developments and implementation of this Policy.
- (iii) **"Employee"** means any employee or Director of the Company.
- (iv) **"Protected Disclosure"** means a written communication of concern made in good faith, which discloses information on the matters stated under the title "Scope of the Mechanism" of this Policy. It should be factual and not speculative in nature.
- (v) **"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.
- (vi) **"Whistle Blower"** means any employee who makes protected disclosure under this Policy.

## 3. SCOPE OF THE MECHANISM:

All the Directors and Employees of the Company are eligible to make Protected Disclosures under this policy which covers the genuine concern concerning actual or suspected:

- (i) Fraudulent practices, such as improperly tempering and manipulating the books and records, or theft of Company's property;
- (ii) Corruption, including bribery and money laundering;
- (iii) Breach of the Company's integrity and ethics;
- (iv) Breach of terms and conditions of employment and rules thereof;
- (v) Breach of Contracts;
- (vi) Pilferation of confidential/proprietary information;
- (vii) Criminal activities;
- (viii) Abuse of Authority;
- (ix) Deliberate violation of any law/regulations;
- (x) Gross wastage/misappropriation of Company's funds/ assets



#### **4. ROLE OF THE AUDIT COMMITTEE:**

The Audit Committee is responsible for supervising the development and implementations of this policy. The employees of the Company shall have the direct access to the Chairperson of the Audit Committee. A report with the number of Complaints received, if any, under the policy and their outcome shall be placed before the Audit Committee and Board. The Audit Committee shall periodically review the policy to consider whether amendments are necessary, and, if so, it shall communicate any such amendments to all Employees as soon as possible.

#### **5. REPORTING MECHANISM:**

- (i) All protected disclosures should be reported in writing by the whistle blower within 30 days after they become aware of the same and should either be typed or written in a legible handwriting in English or Hindi.
- (ii) Protected Disclosures should be addressed to the Chairman of the Audit Committee for investigation under a covering letter which shall bear the identity of Whistle Blower in a closed and secured envelop. In order to maintain the confidentiality, the whistle blower are advised not to write their name/address on envelop.
- (iii) On receipt of the protected disclosure, the Chairman of Audit Committee shall detach the covering letter bearing the identity of the Whistle blower and process only the protected disclosure.
- (iv) Protected disclosure should be factual and not speculative 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 and the urgency of a preliminary investigative procedure.
- (v) The Whistle blower must put his/her name to the allegations. Concerns expressed anonymously WILL NOT BE investigated until and unless:
  - The subject matter is serious enough to justify;
  - Sufficient information is provided to take further action;
  - Anonymity does not harm the credibility of the disclosure.

#### **6. PROCESS OF INVESTIGATION:**

- (i) All the protected disclosure under this policy will be recorded and thoroughly investigated. On receipt of the protected disclosure the Chairman of the Audit Committee shall make a



record of the same and also ascertain from the complainant whether he was the person who made the Complaint.

- (ii) The Chairman of the Audit Committee will investigate/ oversee the investigations of all Protective Disclosures under the authorization of the Audit Committee. He may also at its own discretion, consider involving any Investigators for the purpose of investigation in relation to the Protective Disclosures.
- (iii) The identity of Subject will be kept confidential to the extent possible, subject to the reasonable and necessary requirements of the law and the investigation process.
- (iv) Subject will normally be informed of the allegations at the outset of a formal investigation and shall be afforded opportunities of reasonable hearing to provide inputs during the investigation.
- (v) Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- (vi) Subject shall extend all reasonable co-operation with the Chairman of the Audit Committee and shall not interfere with the investigation process nor attempt to destroy evidence in relation thereto.
- (vii) Subject has a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- (viii) The investigation shall be completed as expeditiously as possible, and normally within 6 months of the receipt of the Protected Disclosure

## **7. DECISION AND REPORTING**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

An annual report with number of complaints received under this policy and their outcome shall be placed before the Audit Committee and Board.

A whistle blower who makes false allegations of unethical and improper practices or about alleged wrongful conduct of the subject to the Audit Committee shall be subject to appropriate disciplinary action in accordance with the Rules, procedures and policies of the Company.



## **8. PROTECTION**

No unfair treatment will be meted out to a whistle blower by virtue of his /her having reported a Protected Disclosure under the Policy. The Company 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 the whistle blowers against any unfair practice and shall take adequate steps to minimize difficulties, whistle blower may experience as a result of making a protected disclosure. Any other employee assisting in the investigation process under this policy shall also be protected to the same extent as the Whistle Blower.

## **9. CONFIDENTIALITY**

The Whistle blower, the Chairman and members of Audit Committee, the subject and everybody involved in the process shall maintain the confidentiality of all matters under this Policy.

## **10. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 3 (three) years. Reasonable care shall be taken to keep such Protected Disclosure confidential, subject to applicable laws.

## **11. AMENDMENT:**

The Company is entitled to amend, suspend or rescind this policy at any time without assigning any reason thereof. Whilst, the Company has made best efforts to define detailed procedures for implementation of this Policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguity will be resolved in consonance with the Board intent to this Policy.

**For BLB Commodities Limited**

**Sd/**

**(Swati Nehra)**

**Company Secretary**

**Date: 29.05.2017**

**Place: New Delhi**