

# **Whistle Blower Policy**

**National Securities Depository Limited**

## Document Information

<b>Name of the document</b>	<b>: Whistle Blower Policy</b>
<b>Document Number</b>	<b>: NSDL/Human Resource Team/Whistle Blower Policy/1.5</b>
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## REVISION HISTORY

<b>Sr. No.</b>	<b>Date of Revision</b>	<b>Ver.</b>	<b>Document Owner</b>	<b>Remarks</b>
1	February 2015	1.0	Senior Vice President Head – Legal and Compliance Officer	
2	June 08, 2021	1.1	Vice President Head – Legal and Compliance Officer	Whistleblower Policy amended in terms of SEBI Circular dated March 03, 2021
3	November 04, 2022	1.2	Vice President Chief Human Resource Officer	Whistleblower Policy amended under annual review
4	February 07, 2024	1.3	Vice President Chief Human Resource Officer	Whistleblower Policy amended under annual review
5	May 14, 2024	1.4	Vice President Chief Human Resource Officer	Whistleblower Policy amended as per SEBI's suggestion.
6	May 17, 2025	1.5	Senior Vice President Chief Human Resource Officer	Whistleblower Policy amended as per SEBI's circular dated November 22, 2024

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## Redressal Matrix:

Details	To be addressed to	Email ID	Enquiry process/ protection /guideliness
Protected Disclosure	Audit committee	auditcommittee@nsdl.com	Enquiry process will be the same as mentioned in the policy, for all cases
Protected Disclosure direct access to Whistle Blower	Chairperson of the Audit Committee	<a href="mailto:Disclosureacchairman@nsdl.com">Disclosureacchairman@nsdl.com</a>	
Protected Disclosure is against the Chairperson of the Audit Committee	Board Chairperson	<a href="mailto:BoardChairman@nsdl.com">BoardChairman@nsdl.com</a>	

## WHISTLE BLOWER POLICY

### 1. Preface

National Securities Depository Limited (“**Company**”) has adopted the Code of Conduct for Governing Board, Directors, Committee Members and Key Management Personnel and Code of Conduct under NSDL Staff Rules for employees (collectively “**NSDL Ethical Standards**”), which lays down the principles and standards that govern the actions of the Company and its employees. Any actual or potential violation of the NSDL Ethical Standards would be a matter of serious concern for the Company. The role of Stakeholders in pointing out such violations of the NSDL Ethical Standards cannot be undermined. Accordingly, this whistleblower policy has been formulated with a view to provide a mechanism for the Stakeholders of the Company to raise concerns about illegal or unethical practices, violation of the NSDL Ethical Standards or any violations of legal or regulatory requirements, fraud or market abuse.

### 2. Objective

NSDL is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company enables its Stakeholders who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for Stakeholders to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

This policy further aims to encourage Stakeholders of the Company to report wrongful conduct and aims to provide a secure environment to Stakeholders, who report such practices in good faith.

### 3. Regulatory Provisions:

Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) requires a listed entity to formulate a vigil mechanism or whistleblower policy for enabling stakeholders including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Further, Regulation 9A (6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI PIT Regulations**”) mandates that every listed company should have a whistleblower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

### 4. Definition

The definitions of some of the key terms used in this Policy are given below.

- a. “**Audit Committee**” means the Audit Committee constituted by the Governing Board of the Company in accordance with Section 177 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- b. “**Company**” means National Securities Depository Limited or NSDL.
- c. “**Disciplinary action**” means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension or termination from official duties or any such action as is deemed fit considering the gravity of the matter.
- d. “**Employee**” means every person on the rolls of the Company.
- e. “**Good Faith**” means Whistleblower shall be deemed to be communicating in “good faith” if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good faith shall be deemed lacking when the Whistleblower does not have personal knowledge on a factual basis for communication or where the whistleblower knew or reasonably should have known

that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

- f. **“Policy” or “This Policy”** means this Whistle Blower Policy.
- g. **“Protected Disclosure”** means a genuine concern raised by an email or in writing (handwritten or typed in English language) made in Good Faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- h. **“Stakeholders”** means the directors, employees and Independent External Persons on the Board level Committees of the Company.
- i. **“Subject”** means a Stakeholder against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- j. **“Whistleblower”** means a Stakeholder, who discloses or demonstrates evidence of an unethical activity as listed down in the scope of this Policy through a Protected Disclosure against another Stakeholder(s).
- k. **“Whistle Officer” or “Whistle Committee”** means an officer or committee of persons, who is/are nominated/ appointed for receiving the Protected Disclosure from Whistleblower and for conducting detailed investigation of the Protected Disclosure received from the Whistleblower and recommend suitable Disciplinary action. Wherever the term ‘Whistle Officer’ is used in this Policy, such term also includes “Whistle Committee”.

## 5. Scope of Policy

- a. This policy is applicable to all Stakeholders of NSDL.
- b. The Whistleblower’s role is that of a reporting party with reliable disclosure and its supporting evidences. Whistleblowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.
- c. The Protected Disclosure made by the Whistleblower must be on the basis of direct first-hand experience of the Whistleblower with adequate support data /proof and

not speculative or hearsay or rumor or an outcome of a grapevine.

- d. The Protected Disclosure will be appropriately dealt with by the Audit Committee, as laid down in this policy.
- e. The Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against any Stakeholder.
- f. The Company provides necessary safeguards to all Whistleblowers for making Protected Disclosures in Good Faith, which includes but not limited to the following.
  - i. Retaining anonymity- Anonymity will be retained throughout the complete redressal process, unless required to be revealed as per law.
  - ii. Protection against harassment/retaliation- The whistleblower is protected against any harassment/retaliation from the accused or otherwise as a direct consequence of making Protected Disclosures.
- g. The Policy covers genuine concerns, malpractices and misconduct which have taken place/ suspected to take place involving:
  - i. Abuse of authority;
  - ii. Negligence causing substantial and specific danger to public health and safety;
  - iii. Manipulation of Company data/records;
  - iv. Financial irregularities, including fraud or suspected fraud, or deficiencies in internal control and check, deliberate error in preparations of Financial Statements, or misrepresentation of financial reports, or questionable accounting or auditing matters;
  - v. Any unlawful act whether criminal/ civil;
  - vi. Illegal and unethical practices, fraud, bribery, corruption, dual-employment, misconduct or market abuse or any suspicion of fraud or market abuse;
  - vii. Pilferation of confidential/propriety information;
  - viii. Deliberate violation of applicable laws, rules, or regulations;
  - ix. Misappropriation of Company funds/assets;



h. Following is an indicative list of exclusions under this Policy:

- i. Matters which are trivial or frivolous in nature.
- ii. Matters which are pending before a judicial or quasi-judicial body
- iii. Issue raised, relating to service matters, including but not limited to matters relating to employment such as salary, promotion, etc.
- iv. any complaint that falls under the scope of Positive Work Environment Policy of NSDL.
- v. Any Protected Disclosure which is anonymous in nature.

## **6. Enquiry Process:**

- a. Audit Committee at all times shall remain responsible for receiving the Protected Disclosure, unless such Protected Disclosure is against any member of the audit committee.
- b. However, Whistle Blower shall also have direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases in case of any potential victimization or threat to the Whistle Blower.]
- c. Audit Committee shall establish the authenticity of the Whistleblower's identity before considering the case for the purpose of investigation. This shall be done through the contact details provided by the Whistleblower, while maintaining confidentiality. For establishing authenticity and documentation check, the Audit Committee has appointed the Compliance Officer of NSDL as the designated official to assist in the process, post ensuring that the designated personnel is having no conflict of interest in the Protected Disclosure.
- d. Audit Committee shall remain responsible for investigating the matter in an independent and unbiased manner.
- e. In case the complaint is apparently falling under the Exclusion Clause of this Policy, the Audit Committee shall make discreet inquiry to ascertain whether there is any basis for proceeding further to investigate the matter, if the committee is of the opinion that

there is no sufficient ground for proceeding further in the complaint, the Audit Committee shall be entitled to recommend closure of such complaint.. In any case, the Protected Disclosure and the corresponding report shall be placed before the Governing Board and the Governing Board shall at its discretion may decide to accept the recommendations or direct the Audit Committee to investigate the matter and to seek detailed investigation report.

- f. Whistleblower does not have a right to participate in any investigative activities other than as requested by the Audit Committee, neither will it act as a finder of facts, nor would it determine the appropriate corrective or remedial action that may be warranted in a given case. Whistleblower shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper activity.
- g. The Whistleblower shall cooperate with the investigating authority(ies) and maintain full confidentiality of the investigation.
- h. The Subject shall be duly informed about the Protected Disclosures made against it at the commencement of the formal investigation process and shall have regular opportunities for providing explanation during the usual course of the investigation process.
- i. Investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Audit Committee for the purpose of such investigation shall do so. Individuals with whom the Audit Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- j. Such interviews can be in the form of in person, telephonic discussions, or explanation sought through email or seeking written explanation. Prior intimation of the interview may be given. In person and telephonic discussions may be recorded to ensure integrity of the investigation process and to maintain proper records.

- k. The Subject shall not directly / indirectly interfere with the investigation process.
- l. The Subject shall not destroy or tamper with any evidence and shall have a duty to co-operate with the Audit Committee involved in the inquiry till the investigation process is completed.
- m. The Subject shall have a right to be informed about the results of the investigation process in writing by the Audit Committee after the completion of the investigation.
- n. The Audit Committee may decide to engage an external agency to support investigation if there is a need for specialized skills or there is a conflict in engaging internal resources.
- o. The Subject will be given an opportunity to respond to the results, as contained in the investigation report.
- p. If the Protected Disclosure constitutes a criminal offence, the Audit Committee will bring it to the notice of the Governing Board and recommend appropriate action including reporting the matter to relevant statutory authorities.
- q. The Audit Committee will complete its investigations and submit a written report (named as Investigation Report) of its findings to the Governing Board within 30 days of receiving the Protected Disclosure/Complaint. In case the same cannot be completed within stipulated period, an interim report along with reasons should be submitted to the Governing Board, giving *inter-alia*, the tentative date of completion (which should not exceed 45 days from the date of receipt of Protected Disclosure/Complaint).
- r. If the Protected Disclosure/Complaint is made by/against the Member of the Audit Committee, then such Member who raises the Protected Disclosure /Complaint or against whom the Protected Disclosure/Complaint has been raised shall recuse himself/herself from the entire process of the investigation and reporting.
- s. Any Protected Disclosure/ Complaint made after the expiry of 3 (three) years from the date on which the alleged wrongful conduct has taken place, shall not be considered as a valid Protected disclosure/ Complaint. However, the same may be considered for further investigation at the discretion of the Audit Committee depending upon the alleged wrongful conduct.

- t. The Governing Board shall resolve the Protected Disclosure/Complaint within 60 (sixty) days from the date of receipt of Protected Disclosure/Complaint.
- u. Failure to cooperate in an investigation, or deliberately providing false information by the Subject during an investigation, can be the basis for disciplinary action, including termination of employment.
- v. The Audit Committee shall conduct the investigation in a fair and unbiased manner.
- w. The decision of the Governing Board shall be final and binding on all concerned. All information disclosed during the course of investigation shall remain strictly confidential and access shall remain restricted to the Audit Committee and Governing Board or any other person to whom it is shared for the purpose of investigation

## **7. Authority to receive Protected Disclosure**

- a. Chairperson of Audit Committee is authorised to receive Protected Disclosures against victimization of director(s) or employee(s) or any other person who avail the mechanism in appropriate or exceptional cases. . Further, the Compliance Officer shall be the designated personnel to assist in administration related matters during the course of any Protected Disclosure investigation, post ensuring that the designated personnel is having no conflict of interest in the Protected Disclosure.
- b. The Board Chairperson is authorized to receive Protected Disclosures against the Chairperson of Audit Committee.

## **8. Protection**

- a. It will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out. The Whistleblower shall be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination. However, any abuse of this protection will warrant disciplinary action against the such person.

- b. Protection under this Policy would not mean protection from disciplinary action arising out of false, malicious or bogus allegations or complaints made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c. Whistleblowers, who make Protected Disclosures and have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in Good Faith for consequently 3 instances, will be disqualified from reporting further Protected Disclosures under this Policy.

## 9. Guidelines

- a. Stakeholders of the Company can avail the channel provided by this Policy for raising an issue covered under the scope of this Policy.
- b. The Whistleblower must provide factually corroborating evidence, as is available and to the extent possible, to enable commencement of an investigation at the earliest, preferably within 30 days of the malpractice or misconduct noticed by him. The Protected Disclosure can be submitted in writing (hand written or typed in English language) by hand-delivery, courier or by post addressed to the relevant authority mentioned in the policy, in a sealed envelope marked “Complaint under Whistle Blower Policy, *Private and Confidential*” and delivered at at the Company’s registered office or by email to [auditcommittee@nsdl.com](mailto:auditcommittee@nsdl.com). When the Whistleblower feels it necessary it may also be submitted directly to the Chairperson of the Audit Committee at [Disclosureacchairman@nsdl.com](mailto:Disclosureacchairman@nsdl.com).
- c. When the whistle blower complaint is against the Chairperson of the Audit Committee it may be submitted directly to the Chairperson of the Board, at [BoardChairman@nsdl.com](mailto:BoardChairman@nsdl.com).

The Protected Disclosure should be in a sealed envelope and addressed to the relevant authority mentioned in the policy and should be ascribed “Complaint under Whistle Blower Policy, *Private and Confidential*”. If the envelope is not ascribed and

not closed, it will not be possible for the relevant authority to protect the identity of the Whistleblower and it will be dealt with as per the normal complaint handling policy. The Protected Disclosure is required to be submitted with the following details:

- i. Name, address and contact details of the Whistleblower.
- ii. Brief description of the concerns, malpractice or misconduct, giving the names of those alleged to have committed. Specific details such as time and place of occurrence are also important.
- iii. Any anonymous Protected Disclosures i.e. without complete name, address, contact details or details of malpractices shall not be acceptable by the Company and the the Chairperson of Audit Committee or the Governing Board or the Audit Committee shall not be under any obligation to act upon or investigate such Protected Disclosure.
- iv. The Protected Disclosure shall be made in the format prescribed in **Annexure I.**

## **10. Retaliatory action or threats of retaliatory action as a result of making a Protected Disclosure**

- a. If the Whistleblower faces any retaliatory action or threats of retaliatory action (for example victimization) as a result of making a Protected Disclosure, it may inform the audit committee or the Chairperson of the Audit Committee or the Board Chairman in writing immediately. The relevant authority shall take cognizance of each and every such complaint / feedback received and investigate the same accordingly and may also recommend appropriate steps to protect the Whistleblower from exposure to such retaliatory action and ensure implementation of such steps for the Whistleblower's protection.

## **11. Confidentiality**

- a. All concerns and issues raised under this policy shall be treated in a confidential manner except to the extent necessary to conduct a complete, fair and effective investigation. Similarly, the identities of the Whistleblower and the investigation Subject shall be treated with confidentiality at all times and shall only be disclosed to the Audit Committee or Governing Board, on need-to-know basis, for facilitation of proper investigation.

## **12. Regulatory Compliance to Submit Report**

- a. Additionally, a report should be submitted to the Governing Board containing the details of all whistle-blower complaints received during the quarter and decisions, if any, taken with respect to such complaints in the next Governing Board meeting after the end of the quarter.
- b. A quarterly report on Whistle Blower complaints will contain following information:
  - i. MIS of Protected Disclosures received and action taken during reporting quarter and status of pending cases which were received during previous quarters
  - ii. Case-wise information including details of action taken on directions of the Committee.
  - iii. Such other details as desired by the Committee from time to time
- c. In case, the Audit Committee is not able to take any decision on the matter, the same may be escalated to the Governing Board of the MII.
- d. The designated personnel and audit committee will monitor and review the progress, status of investigation, investigation reports and compliance of closure related actions on regular basis
- e. To establish proper checks and balances, the Company will provide regular education and training on the Whistle Blower Policy to ensure that any disincentives for



misreporting do not discourage genuine Whistle Blowers from reporting irregularities.]

- f. The investigators shall submit their report to Governing Board in a time bound manner, report should be in a closed and sealed envelope (only in case physical report), to ensure that the matter is kept confidential.
- g. A case will be considered as “Closed” once following actions, as applicable and appropriate action have been taken against Subject against whom charges were proven, including but not limited to:
  - i. Counselling & warning letter
  - ii. Withholding of promotion /increments
  - iii. Bar from participating in appraisal review cycle
  - iv. Employment termination
  - v. Initiation of recovery of the losses suffered due to fraud, if any
  - vi. Police complaints being filed
  - vii. Any other action.
- h. Only after confirmation of compliance with the above requirements, a case will be reported as “Closed” to the Audit Committee.
- i. The Audit Committee shall also report to the Governing Board of the Company the concern raised for victimisation for employment related matters by the Whistleblower and action taken. Such reports on the above shall be reviewed and recorded by the Governing Board of the Company.

### **13. Retention of documents**

- a. 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 eight years.
- b. List of documents to be maintained:
  - i. Copy of Protected Disclosure in electronic or physical form in its original



form of receipt.

- ii. Records collected during investigation including, electronic data and documents
- iii. Reports submitted by the investigators
- iv. Final reports submitted
- v. Audit Committee reports/reviews
- vi. Back-up of Committee papers
- vii. Action taken report and records
- viii. Notes/details submitted to Audit Committee
- ix. Any other working papers relevant to the case.

#### **14. Company's Powers**

- a. The Regulatory Oversight Committee shall annually review the whistle blower policy.
- b. In case there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended at the next scheduled Meeting. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended.
- c. Whist 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 ambiguities will be resolved in line with the broad intent of the Policy.
- d. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
- e. The HR department will ensure that the policy is known to all employees of the organization.
- f. The Secretarial team will ensure to disclose the whistle blower policy on the website.

## Annexure 1: Template for submitting Protected Disclosure

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To:

Whistle Officer

- a) Name, address and contact details of the Whistleblower
- b) Details of Protected Disclosure:  
[Brief description of the concerns, malpractice or misconduct covered under the Whistle Blower Policy alleged to have committed, specific details such as time, date and place of occurrence]
- c) Names and designation of the Subject against whom the Protected Disclosure is being made:
- d) List supporting information, data and documents that you have relied upon for making the Protected Disclosure, which the Whistle Officer can seek from you while investigating. Also enclose copies of the supporting information, data and documents.

Date:

Location: