

Whistle Blower & Vigil Mechanism Policy

NSDL Database Management Limited

Classification: INTERNAL

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Document Information

Name of the Document	Whistle Blower & Vigil Mechanism Policy
Document Number	NDML/Compliance/2023/1
Department Name	Compliance & Legal
Maintained By	Compliance Officer
Approved by	Board of Directors
Release Date	25.07.2023

Revision History

Sr. No.	Date of Revision	Version	Document Owner	Remarks
1	25.07.2023	2	Compliance officer	Amended version - changes 1. Change of nomenclature of Whistle Blower officer to Whistle Blower Complaints Officer as approved by Board of Directors in its meeting dated 26.4.2023 2. Change of Whistle Blower Complaints Officer w.e.f. 26.4. 2023 3. Introduction of Vigil Mechanism under S. 177 of Companies Act, 2013 4. Change of email id's of Chairperson – BOD, Chairperson- Audit Committee and MD & CEO, Whistle Blower Complaints Officer under Whistle Blower Policy & Vigil Mechanism

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Whistle Blower Policy

1. Preface

NDML has adopted the Code of Ethics and Code of Conduct, which lays down the principles and standards that govern the actions of the company and its employees. Any actual or potential violation of the code would be a matter of serious concern for the company. The role of employees in pointing out such violations of the code cannot be undermined. Accordingly, this whistleblower policy has been formulated with a view to provide a mechanism for employees of the company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

2. Objective

NDML is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the company encourages its employees 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 employees to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

3. Definition

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- a) "**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- b) "**Employee**" means every person on the rolls of the Company including its subsidiaries.

- c) "**Code**" means the NDML Code of Conduct.
- d) "**Policy or This Policy**" means, "Whistleblower & Vigil Mechanism Policy."
- e) "**Protected Disclosure**" means a concern raised by an email or in writing (hand written 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.
- f) "**Senior Management**" mean personnel of the company who are members of its management / core management team excluding independent directors. This would also include all members of management one level below the MD & CEO/Manager.
- g) "**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 under this policy.
- h) "**Whistleblower**" is someone who makes a protected disclosure under this policy.
- i) "**Whistle Blower Complaints Officer**" means an officer who is nominated / appointed by Board of Directors for receiving the protected disclosure from the employees and for conducting detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action.
- j) "**Vigil Mechanism**" means Mechanism established under Section 177 of the Companies Act, 2013 and it shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- k) "**Company**" means, "NSDL Database Management Limited."

- l) **“Good Faith”**: An employee 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 employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

- m) **“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 to be fit considering the gravity of the matter.

4. Scope

- a. This policy is an extension of the code of conduct. The whistle blower’s role is that of a reporting party with reliable information. The whistle blower is not required or expected to act as investigators or finder of facts, nor would he / she determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.

- b. Whistle blowers do not have a right to participate in any investigative activities other than as requested by the Whistle Blower Complaints Officer.

- c. Protected disclosure will be appropriately dealt with by the Management / Whistle Blower Complaints Officer, as the case may be.

- d. The Policy should not be used in place of the company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

- e. The Company provides necessary safeguards to all whistle blowers for making protected

disclosures in good faith.

- f. The Policy covers malpractices and events which have taken place / suspected to take place involving:
- i) Abuse of authority
 - ii) Breach of contract
 - iii) Negligence causing substantial and specific danger to public health and safety
 - iv) Manipulation of company data/records
 - v) Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
 - vi) Any unlawful act whether Criminal/ Civil
 - vii) Pilferation of confidential/propriety information
 - viii) Deliberate violation of law/regulation
 - ix) Wastage/misappropriation of company funds/assets
 - x) Breach of Company Policy or failure to implement or comply with any approved Company Policy

5. The Whistle Blower Complaints Officer and Convener Responsibility

The Whistle Blower Complaints Officer is duly authorized by the Board of Directors to receive / oversee any protected disclosures reported under this policy. He/She is responsible for ensuring appropriate action.

6. Vigil Mechanism

Under the Vigil Mechanism as mentioned under Section 177 of the Companies Act, 2013; a Committee comprising of Audit Committee – Chairperson; Board meeting -Chairperson and Managing Director & CEO shall examine the complaints received by the Whistle Blower Complaints Officer and conduct a detailed investigation of the disclosure received from the whistle blower depending on the position of the person against whom the disclosure is made.

The Vigil Mechanism shall provide for adequate safeguards against victimization of

persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

7. Disqualification

- a. It will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfair treatment as herein set out. However, any abuse of this protection will warrant disciplinary action.
- b. Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistle blower knowing it to be false or bogus or with a mala-fide intention.
- c. Whistle blowers, who make protected disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further protected disclosures under this policy.

8. Guidelines

Employees of the company can avail the channel provided by this policy for raising an issue covered under this policy.

- a. The Whistle Blower 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 irregularity or breach of the code noticed by him/her. The protected disclosure can be submitted by email or in writing (hand written or typed in English language), by hand-delivery, courier or by post addressed to the Whistle Blower Complaints Officer by email at ndml.wbofficer@nsdl.com or at following address:

To,

Whistle Blower Complaints Officer

NSDL Database Management Limited

4th Floor, Tower 3, One International Centre,

Senapati Bapat Marg, Prabhadevi,

Mumbai 400 013

When the Whistleblower feels it necessary it may also be submitted directly to the Chairperson of the Audit Committee who shall be the Chairperson of Vigil Mechanism via email at the email id ndmlacchairperson@nsdl.com or Chairman of the Board of Directors via email at the email id. ndmlchairperson@nsdl.com or Managing Director & CEO/Manager at the email id ndmlmd@nsdl.com. Disclosures against the Department Heads or Whistle Blower Complaints Officer or the level below the Managing Director & CEO/Manager should be sent directly to the Managing Director & CEO/Manager of the Company or Chairperson of Vigil mechanism i.e. ndmlacchairperson@nsdl.com.

- b. The protected disclosure is required to be submitting with the following details:
- i. Name, address and contact details of the whistle blower.
 - ii. Brief description of the malpractice, giving the names of those alleged to have committed or about to commit a malpractice. Specific details such as time and place of occurrence are also important.
 - iii. In case of letters, the disclosure should be sealed in an envelope marked “whistle blower” and addressed to the Whistle Blower Complaints Officer or Chairperson of the Audit Committee or Board of Directors or Managing Director & CEO/Manager, depending on position of the person against whom disclosure is made.
- c. All Protected Disclosures concerning financial / accounting matters should be addressed to the Chairperson of the Audit Committee of the Company and Vigil Mechanism for investigation.
- d. The contact details of the Chairperson of the Audit Committee of the Company is as under:

Chairperson of the Audit Committee:

Mr. Ravindra Pandey

Address: 3503, Tower-1, Auris Serenity, Kanchpada,
Off New Link Road, Malad West, Mumbai 400064

This is to be provided in writing or by email ndmlacchairperson@nsdl.com

- e. If the protected disclosure is received by the Chairperson of the Audit Committee, he/she shall forward the disclosures concerning the financial / account matters to the Audit Committee of the Company for further investigation. The Audit Committee may at its discretion consider the involvement of any investigator / group of the company for the purpose of investigation. For rest protected disclosure received by the Chairperson of the Audit Committee, the same shall be further investigated by Vigil Mechanism Committee and Whistle Blower Complaints Officer shall facilitate the process of investigation.
- f. The Whistle Blower Complaints Officer shall establish the authenticity of the whistle blower's identity before considering the case for the purpose of investigation. This shall be done through the contact details provided by the whistle blower in the protected disclosure form, while maintaining the confidentiality.
- g. The protected disclosure made by the whistle blower must be on the basis of direct first-hand experience of the whistle blower with adequate support data / proof. If it is established that the allegation was made with mala-fide intentions or was frivolous in nature, or was not genuine, the whistle blower shall be subject to disciplinary action.
- h. The Whistle blower(s) shall cooperate with the investigating authority (ies) maintaining full confidentiality
- i. All investigation subjects shall be duly informed about the protected disclosures made against them at the commencement of the formal investigation process and shall have regular opportunities for providing explanation during the usual course of the investigation process.

- j. The 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 whistle officer for the purpose of such investigation shall do so. Individuals with whom the whistle officer 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.
- k. No investigation subjects shall directly / indirectly interfere with the investigation process till the completion of the investigation.
- l. The investigation subjects shall not destroy or tamper with any evidence and shall have a duty to co-operate with the Whistle Blower Complaints Officer involved in the inquiry till the investigation process is completed.
- m. The Whistle Blower Complaints Officer along with the committee set for Vigil Mechanism shall conduct the inquiry in a fair and unbiased manner.
- n. All investigation subjects shall have a right to be informed about the results of the investigation process in writing by the Whistle Blower Complaints Officer after the completion of the inquiry. They will be given an opportunity to respond to the inquiry results, as contained in the investigation report.
- o. If the disclosure constitutes a criminal offence, the Whistle Blower Complaints Officer will bring it to the notice of the MD &CEO/ Manager and Vigil Mechanism Chairperson and take appropriate action including reporting the matter to the police.
- p. The MD & CEO/Manager of the Company may, at his/her discretion, participate in the investigations of any disclosure directly to Whistle Blower Complaints Officer.

- q. The Whistle Blower Complaints Officer as a part of Vigil Mechanism shall facilitate conducting such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Committee formed under Vigil Mechanism chaired by Audit Committee chairperson. Vigil Mechanism committee in turn shall present findings and recommendations to the Board of Directors of the Company as soon as practically possible and in any case, not later than 90 days from the date of receipt of the disclosure. The Board of Directors of the company may allow additional time for submission of the report based on the circumstances of the case.
- r. Whilst it may be difficult for the Whistle Blower Complaints Officer to keep the whistle blower regularly updated on the progress of the investigations, he/she will keep the whistle blower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.

9. Retaliatory action or threats of retaliatory action as a result of making a Disclosure

If the whistle blower faces any retaliatory action or threats of retaliatory action as a result of making a disclosure, he/ she may inform the Whistle Blower Complaints Officer in writing immediately. The Whistle Blower Complaints Officer shall take cognizance of each and every such complaint / feedbacks received and investigate the same accordingly and may also recommend appropriate steps to protect the whistle blower from exposure to such retaliatory action and ensure implementation of such steps for the whistle blower's protection.

10. Confidentiality

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 whistle blower and the investigation subject shall be treated with confidentiality at all times and shall only be disclosed to the Vigil Mechanism committee for facilitation of proper investigation, if required.

11. Decision

If an investigation leads the Whistle Blower Complaints Officer to conclude that an improper or unethical act has been committed, the Whistle Blower Complaints Officer shall recommend to the management of the company to take such disciplinary or corrective action as they deem fit. It is clarified that 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 personnel or staff conduct and disciplinary procedures.

12. Reporting

- a. The Whistle Blower Complaints Officer shall submit a report to the Board of Directors of the company if disclosure(s) is / are received in previous quarter, nature of complaint, outcome of investigation, actions recommended by the whistle and implementation of the same.

- b. The Whistle Blower Complaints Officer should also report to the Board of Directors of the company the concern raised for victimization for employment related matters by the whistle blower and action taken by him. Such reports on the above shall be reviewed and recorded by the Board of Directors of the company.

13. 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 seven years.

14. Company's Powers

The company reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever and such amendment or modification will be binding on the employees after the same is notified to the employees in writing. 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. 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.