



WHISTLE BLOWER POLICY

METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

www.mseindia.com

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1. PREFACE

The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

Towards this end, the Company has adopted the Code of Conduct (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states

“13. Whistle Blowers Policy

13.1 Every employee of the Exchange shall promptly report any actual or possible violation of the provisions of this Code, any misconduct or misdemeanor to the attention of the Chairman of the Audit Committee, or such other person designated by him.”

Section 177 of the Companies Act, 2013 (“**Companies Act**”) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) require each listed company to establish a vigil mechanism / whistle blower policy for directors and employees to report genuine concerns.

The vigil mechanism will 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.

Regulation 9A (6) of SEBI (Prohibition of Insider Trading) (Amendments) Regulations, 2018 (“**PIT Regulations**”) also requires every listed company to formulate a Whistle Blower policy. and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information

2. DEFINITIONS

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 and read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.²
- b. **“Code”** means the Code for employees and Key Management Personnel, Code for Directors and Committee Members³
- c. **“Disciplinary Action”** means any action that may be taken during or on completion of the investigation proceedings, including but not limiting to a warning, imposition of fine, suspension from official duties or termination of services or any other action as is deemed to be fit considering the gravity of the matter.⁴
- d. **“Employee (s)”** Employee(s) means all employees of the Exchange, permanent or temporary including the contracted employee and Directors of the Company.⁵
- e. **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and include the auditors of the Company and the police.
- f. **“Protected Disclosure”** means a concern raised by a written communication made in good faith to Chairman of the Audit Committee that discloses or demonstrates factual information that may evidence unethical or improper activity which may be either contrary to the laid down policies of the Company or may be contrary to the acceptable standards of integrity and ethics in similar organizations.



- g. “Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. “Whistle Blower”** means director, an employee or any other person who avail the mechanism of the company making a Protected Disclosure under this Policy.

3. SCOPE OF THE POLICY

- a) Any Whistle Blower who in good faith, raises concern/discloses factual information on matters of organizational concern to the Chairman of the Audit Committee, which the Whistle Blower believes, contains some harmful violation and/or potentially harmful violation with respect to but not limited to the following:
- i) Abuse of authority/power
 - ii) Breach of contract
 - iii) Breach of any Policy or Manual or Code of conduct adopted by the Company.
 - iv) Any instance of failure to comply with legal or statutory obligation either on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
 - v) Negligence causing substantial and specific danger to public health and safety
 - vi) Conflict of Interest
 - vii) Manipulation of company data/records
 - viii) Deficiencies in the internal controls and checks of the Company
 - ix) Insider trading
 - x) Financial irregularities, including fraud, or suspected fraud or deliberate error in preparations of financial statements or misrepresentation of financial reports
 - xi) Other forms of Harassment – Victimization, Bullying, Discrimination etc.
 - xii) Social Media Usage
 - xiii) Pilferage of confidential/propriety information.
 - xiv) Wastage/misappropriation of company funds/assets
 - xv) Any other unethical, unlawful, biased, favoured, imprudent event or any instances of leak of Unpublished Price Sensitive Information.
- b) The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- c) Notwithstanding anything in the policy if there is any inconsistency/conflict between the provisions/guidelines of the policy and Acts/Regulations/Rules/ issued by regulatory authorities, State/Central Government or orders/judgments passed by Tribunals/Courts in that case the applicable provisions of Acts/Regulations/Rules as amended from time to time or orders/judgments issued by respective authorities shall prevail over the provisions/guidelines of the policy.



- d) Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee
- e) Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.



4. ELIGIBILITY

All Directors, employees and any other person of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or dealt with by the Company in its regulatory role.

5. DISQUALIFICATIONS

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, 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 any Protected Disclosures, which have been subsequently found to be mala fide or malicious and Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

6. PROCEDURE FOR REPORTING

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company.
- b. The Audit Committee will receive and investigate the whistle blower complaints take appropriate decision, including any further course of action, submit a report to the governing board of the Exchange containing the details of all whistle blower complaints received during a quarter and decisions, if any, taken with respect to such complaints in the next governing board meeting after the end of the quarter. 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 Exchange.
- c. Exchange will resolve the whistle blower complaints within 60 days from the date of receipt of such complaints.
- d. The Exchange believes that appropriate checks and balances should be implemented by the Exchange to ensure that any disincentives for misreporting do not discourage genuine whistleblowers from reporting irregularities."
- e. For contact details of the Chairman of Audit Committee available on the Exchange website

<https://www.msei.in/about-us/board-of-directors>
- f. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee the same should be forwarded to the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- g. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in

a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

- f. The Protected Disclosure should be forwarded under a covering letter duly signed by the whistle blower in his/her individual capacity in a sealed envelope. The Chairman of the Audit Committee, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- g. Protected 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.
- h. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

7. INVESTIGATION

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- e. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws. Subjects have a right to consult with a person or persons of their choice, other than the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.
- f. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- g. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.



- h. Subjects have 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.

8. PROTECTION

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, 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 Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- b. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. INVESTIGATORS

- a. Investigators are required to conduct a process of fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee, as the case may be, which establishes that:
 - i) The alleged act constitutes an improper or unethical activity or conduct, and
 - ii) The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.



10. DECISION

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may 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.



11. REPORTING

At the end of each quarter (i.e., June, September, December, and March), a report detailing all whistleblower complaints received during the quarter, along with any decisions made regarding those complaints, will be submitted to the Governing Board of the Exchange. If the Audit Committee is unable to make a decision on any matter, it will be escalated to the Governing Board for further action at the next scheduled meeting.



12. 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 period of 8 (eight) years from the closure of the matter or such other period as specified by any other law in force, whichever is more.



13. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, nor such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.



13. Review of policy

The Regulatory Oversight Committee shall annually review the whistle blower policy of the Exchange