



# WHISTLE BLOWER POLICY

**METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED**

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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 Compliance Officer, 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 for directors and employees to report genuine concerns or grievances. 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.<sup>1</sup>

Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to approach the Compliance Officer/Chairman of the Audit Committee of the Company.

<sup>1</sup> Inserted by the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendments) Regulations, 2018. Prior to its insertion it was read as “Regulation 35 of SECC Regulations 2012 requires recognized Stock exchange to establish a mechanism for ‘Whistle Blower Policy’ in accordance with disclosure requirements and corporate governance norms as specified for Listed companies for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation as a part of good Corporate Governance’

## 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.<sup>2</sup>
- b. **“Code”** means the Code for employees and Key Management Personnel, Code for Directors and Committee Members<sup>3</sup>
- 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.<sup>4</sup>
- d. **“Employee (s)”** Employee(s) means all employees of the Exchange, permanent or temporary including the contracted employee and Directors of the Company.<sup>5</sup>
- e. **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Compliance Officer/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 Compliance Officer/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.<sup>6</sup>

<sup>2</sup> Definition amended by Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. February 2021. Prior to its amendment it was read as “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956 and read with Clause 49 of the Listing Agreement.

<sup>3</sup> Definition amended w.e.f. February 2021. Prior to its amendment it was read as “Code” means the Code for Key Management Personnel and Employees

<sup>4</sup> Definition inserted w.e.f. February 2021.

<sup>5</sup> Definition amended w.e.f. February 2021. Prior to its amendment it was read as “Employee” means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company

<sup>6</sup> Definition amended w.e.f. February 2021. Prior to its amendment it was read as “Protected Disclosure” means any communication made in good faith to Compliance Officer or Chairman of the Audit Committee that discloses or demonstrates information that may evidence unethical or improper activity.

- 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 or an employee 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 Compliance Officer/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:<sup>7</sup>
- 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.<sup>8</sup>

<sup>7</sup> Inserted w.e.f. February 2021

<sup>8</sup> Inserted, "Notwithstanding anything in the policy if there is any inconsistency between the provisions/guidelines of the policies and Acts/Regulations/Rules/ issued by regulatory authorities, State/Central Government or orders passed by Tribunals/Courts in that case the provisions of Acts/Regulations/Rules issued by regulatory authorities, State/Central Government or orders passed by Tribunals/Courts 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 Compliance Officer or the Chairman of the Audit Committee or the Investigators.
- e) Protected Disclosure will be appropriately dealt with by the Compliance Officer or the Chairman of the Audit Committee, as the case may be.

## 4. ELIGIBILITY

All Directors<sup>9</sup> and employees 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.

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<sup>9</sup> Inserted "director" w.e.f. February 2021



## 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. In respect of all other Protected Disclosures, those concerning the Compliance Officer and employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Compliance Officer of the Company.
- c. The contact details are as under:

**Chairman – Audit Committee**

Mr. Ashok Kumar Dogra  
Metropolitan Stock Exchange of India Limited  
Building A, Unit 205A, 2nd Floor,  
Piramal Agastya Corporate Park,  
Kamani Junction, L.B.S Road,  
Kurla (West), Mumbai - 400 070  
[Email: ashokkumar.dogra@msei.in](mailto:ashokkumar.dogra@msei.in)

**Compliance Officer**

Mr. P.K. Ramesh  
Metropolitan Stock Exchange of India Limited  
Building A, Unit 205A, 2nd Floor,  
Piramal Agastya Corporate Park,  
Kamani Junction, L.B.S Road,  
Kurla (West), Mumbai - 400 070  
[Email: ramesh.pk@msei.in](mailto:ramesh.pk@msei.in)

- d. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Compliance Officer, the same should be forwarded to the Company's Compliance Officer or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- e. 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 / Compliance Officer, 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 the Compliance Officer / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The Compliance Officer / 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 the Compliance Officer /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 Compliance Officer /Chairman of the Audit Committee or any of the Investigators 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 Compliance Officer / Investigators and/or members of 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.
- i. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## 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 Compliance Officer / 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 or the Compliance Officer, 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 Compliance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Compliance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Compliance Officer / 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**

The Compliance Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

## 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<sup>10</sup> from the closure of the matter or such other period as specified by any other law in force, whichever is more.

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<sup>10</sup> Inserted "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" w.e.f February 2021. Prior to its insertion "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 five years from the closure of the matter."

## **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.

**Annexure 1 - Template for Reporting Violation**

To: Compliance Officer/ Chairman of Audit Committee:

Please select the applicable incident type(s) from the list below that best describes the issue(s) you are reporting. Please note that multiple issues can be selected

- 1. Abuse of authority/power
- 2. Breach of contract
- 3. Breach of any Policy or Manual or Code of conduct adopted by the Company.
- 4. 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.
- 5. Negligence causing substantial and specific danger to public health and safety
- 6. Conflict of Interest
- 7. Manipulation of company data/records
- 8. Deficiencies in the internal controls and checks of the Company
- 9. Insider trading
- 10. Financial irregularities, including fraud, or suspected fraud or deliberate error in preparations of financial statements or misrepresentation of financial reports
- 11. Other forms of Harassment – Victimization, Bullying, Discrimination etc.
- 12. Social Media Usage
- 13. Pilferage of confidential/propriety information
- 14. Wastage/misappropriation of company funds/assets
- 15. Any other unethical, unlawful, biased, favoured, imprudent event or any instances of leak of Unpublished Price Sensitive Information.


Please provide name, designation and department of the person(s) involved?

	Name	Department	Designation
Individual 1			
Individual 2			
Individual 3			

When did the \_\_\_\_\_ incident occur? (Please provide tentative date if you do not know the exact date) \_\_\_\_\_

Please confirm the location of the incident  
\_\_\_\_\_

How did you find out about this incident?

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How long has this been occurring for?

- > Less than a month
- > 1-6 months
- > 6-12 months
- > Greater than 12 months

Please provide a detailed description of the incident. To enable your company to act on your complaint, you are requested to provide specific information. Where possible, please include names, location, date, time etc. Please note that this field is limited to 5,000 characters.

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Do you have any evidence in support of your allegations?

- > Yes
- > No

Is anyone else aware of this incident?

- > Yes
- > No

Is there any additional information that would facilitate the investigation of this matter?

- > Yes
- > No

Have you reported this incident to anyone in the company?

- > Yes
- > No

Date: \_\_\_\_\_

Location: \_\_\_\_\_

Name of the Person reporting (optional): \_\_\_\_\_

Contact Information (incl email optional): \_\_\_\_\_

Signature: \_\_\_\_\_