

Anti-Bribery and Anti-Corruption Policy

(Version No. 01)

Owner: Risk Management Department

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1. Introduction

- 1.1 At Central Depository Services (India) Limited (“CDSL”), we are committed to the highest levels of ethics and integrity in the way that we do business. We understand that this is crucial to our continued success and reputation.
- 1.2 This Policy emphasizes CDSL’s zero tolerance towards bribery and corruption practices and reflects CDSL’s commitment for maintaining highest ethical standards and best practices of Corporate Governance. This Policy provides necessary information and guidance on how to deal with bribery and corruption issues.
- 1.3 This document should be read in conjunction with the following documents and their respective amendments if any:
- i. CDSL Procedure on Ethical Code and Conduct of Employees
 - ii. CDSL Service Rules Procedures
 - iii. CDSL Whistle Blower Policy
 - iv. CDSL Procurement policy
 - v. CDSL Policy on Outsourcing of Activities
 - vi. CDSL Code of Ethics for Directors & KMP
 - vii. CDSL Guidelines for Independent External Persons
- 1.4 In addition, this policy should be read along with anti-bribery and anti-corruption legal and statutory framework prevalent in India.

2. Scope

- 2.1 This policy is applicable to all CDSL employees, Directors of CDSL, Independent External Persons of CDSL and any other person associated with CDSL and who may be acting on behalf of CDSL.
- 2.2 The Policy sets out the minimum standards that must be followed at all times. Where any local regulations are stricter than this policy, they will take precedence over this Policy.
- 2.3 The Policy also applies globally. If travelling outside of India, CDSL stakeholders are subject to the laws of the country they are in. The principles of this Policy must be followed regardless of whether or not that country has specific anti-bribery and anti-corruption laws.

3. Definitions

- i. **Bribe** - A bribe is an act of offering, promising or providing an inducement or reward, directly or indirectly in order to influence a decision of the recipient in an improper manner or to induce improper performance from the recipient, all of which may result in a business, financial or other kind of gain or advantage to the offerer.
- ii. **Corruption** - It is the abuse of entrusted power for a private gain or for gain of any person or organization which is directly or indirectly associated with the person who is entrusted with such power.
- iii. **Employee** – includes all permanent, probationary, temporary, or fixed term contractual employees directly engaged by CDSL irrespective of their function, level or standing.
- iv. **Directors** - All members of the Board of Directors of CDSL, including Managing Director & Chief Executive Officer.
- v. **Independent External Person (IEP)** – is an independent external person who is a member of the applicable Committees of CDSL, constituted as per SEBI (D&P) Regulations.
- vi. **Public officials** - Public officials would include any public servant as defined in the Prevention of Corruption Act of India. The same would cover officials of any local authority or corporation established by or under Central, Provincial or State Act or anybody controlled, owned, or aided by the Government.
- vii. **Stakeholders** - Includes Employees, Directors and Independent External Persons of CDSL, as defined above.

4. Gifts

- 4.1 CDSL strictly prohibits soliciting any gifts or favours from any associates or agencies and their representatives; with whom CDSL officials deals on an official basis.
- 4.2 However, HR issues advisory on gifts from time to time, which should be adhered to by all stakeholders of CDSL.

5. Bribery and Corruption Practices

- 5.1 CDSL prohibits all forms of bribery and corruption practices involving, but not limited to, Public Official or a private sector person or company.

6. Sensitive and Confidential Information

- 6.1 All Stakeholders, unless otherwise required by law, shall maintain confidentiality, and shall not divulge / disclose any information obtained in the discharge of their duty and no such information shall be used for personal gains.
- 6.2 This section will also be applicable to all Stakeholders, for a period of 6 months, post completion of their association with CDSL.

7. Outsourcing and Procurement

- 7.1 CDSL has laid out policies for procurement of goods and services & for outsourcing of its activities. All stakeholders should adhere to the tenets of both the policies.
- 7.2 While procuring goods or services or outsourcing of any activity, there should not be any conflict of interest between any stakeholder and the third-party vendor.

8. Reporting of violations

- 8.1 When a stakeholder suspects that act of bribery or corruption has occurred, he/she can report this to Risk Management Department at riskdepartment@cdslindia.com. He/she can also report to the concerned official as per the Whistle Blower Policy at whistleblower@cdslindia.com.
- 8.2 The Risk Management Department may communicate such incident to relevant functionaries, depending upon exigencies. The reporting person's identity in any follow up discussion or enquiries should be kept in confidence to the extent appropriate and permitted by law.
- 8.3 Officer receiving input about any suspected bribery or corruption should ensure that all relevant records, documents, and other evidence are being immediately taken into custody and being protected from being tampered, destroyed, or removed.

8.4 A mischievous or malicious allegation of bribery or corruption will constitute a breach of the code of conduct. Any reprisal, retaliation or disciplinary action against stakeholders for reporting the act in good faith shall be prohibited.

9. Investigation Process

- i. The Chief Risk Officer before initiating any investigative action at CDSL, should consult Managing Director & Chief Executive Officer for determining the course of action. Other departments to be consulted on need-to-know basis only.
- ii. The means to carry out the investigation will be within the bounds established by law.
- iii. The investigation will be conducted diligently with high professional standards without any bias.
- iv. All investigation will be carried out in an independent manner with due regard for the individual's rights but without regard to length of service, position held or relationship with CDSL.
- v. All investigation must be kept confidential. Information may be revealed only on a need-to-know basis.
- vi. Care must be taken in an investigation to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.
- vii. The result of investigations should be disclosed by the investigating officers to only those individuals who require the information to perform their roles.
- viii. Investigation should be completed within the reasonable time frame.
- ix. Submission of comprehensive report to the Risk Management Committee giving details, including details of the act committed, parties who committed the act, gaps in the systems & processes, gaps in adherence & compliance and suggestions for strengthening the systems & plugging the gaps, etc.
- x. Submission of interim or flash reports apprising the status may also be considered as & when felt necessary.
- xi. The report should be, wherever necessary supported & substantiated by evidence, disclosures, confession statements, statement by witnesses. All the material & documents collected prior & during the investigation should be kept confidential & under proper custody.

- xii. The findings of the investigation need to be discussed out with all concerned for ensuring cross sectional views and for addressing the other requirements.
- xiii. Incidents of bribery or corruption should be reported to appropriate regulatory and /or law enforcement agencies as per the requirement.
- xiv. History of all the investigations needs to be maintained & tracked.

9.1 Any complaint against Executive Management Committee (EMC) members including those against Managing Director & Chief Executive Officer shall be investigated as per the directions given by Chairman of CDSL's Audit Committee.

9.2 Any complaint against the Chairman of CDSL's Audit Committee or against the Chairman of CDSL's Governing Board shall be investigated as per directions given by the Chairman of CDSL's Governing Board or by CDSL's Governing Board, respectively.

10. Action in case of violation

10.1 If, at the conclusion of its investigation, CDSL determines that a violation has occurred, CDSL will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of CDSL's policy.

11. Training and Awareness

11.1 CDSL provides appropriate training for its employees on prevalent anti bribery & anti-corruption laws, their role and importance; in order to be in conformance with legal requirements and be in compliance thereof.

12. Roles and Responsibilities of Stakeholders of CDSL

12.1 It is the duty of every stakeholder of CDSL to go through this policy and adhere to its tenets.

13. Amendments and Modifications

13.1 The decision of CDSL's Board of Directors with regard to any or all matters relating to this policy shall be final and binding on all concerned. This policy shall be reviewed annually, and the Board of Directors shall have the power to modify, amend or replace this policy in part or full, as may be thought fit from time to time in their absolute discretion.