

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

(Ver 2.7)

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Change History

Sr. No	Old Version	New Version	Change Details
1	-	2.0	Consolidation of Governance and Regulatory Policies
2	2.0	2.1	1. Committee member - Chairman – Audit Committee of Yes Securities (India) Limited. 2. Modification in Employee Accountability and Discipline and Appeal Regulation 3. Addition in Code of Conduct - Process for Staff Action on account of Operational Error - Recovery of Dealing Error in F&F as well
3	2.1	2.2	1) Section 5.1- Definition added under sub-section “e” to “i” to align as per YBL Policy 2) Section 5.2- “Objectives” of the policy aligned as per Yes Bank’s (YBL) Policy Objective 3) Section 5.3 – Newly added as “Regulatory Guidelines” to align as per YBL Policy 4) Section 5.4- Newly added as “Applicability” to align as per YBL Policy 5) Section 5.5 – “Scope” clause revised to align as per YBL Policy 6) Section 5.6 – “Confidentiality” clause revised to align as per YBL Policy 7) Subsection 5.7.1, 5.7.2 & 5.7.3 added to align as per YBL policy 8) Section 5.8- Newly added as “Governance Structure” to align as per YBL Policy 9) Section 5.9 – “Safeguard” and “Untrue Allegation” Clause replaced with “Protection to Whistle Blower” clause to align as per YBL Policy. 10) Section 5.9 – Newly added clause “Policy Exception” to align as per YBL Policy.
4	2.2	2.3	Section 5.7 - Change in existing composition of the committee
5	2.3	2.4	Section 5.7 – Change in existing composition of the committee
6	2.4	2.5	1) Subsection 5.2.3 added to align as per YBL Policy 2) Section 5.9 – added clause “Conflict of Interest”
7	2.5	2.6	1) No Changes, Periodic Policy review done
8	2.6	2.7	1) Whistle Blower Committee Member list updated 2) Annual Review

5.0 Whistle Blower Policy and Vigil Mechanism

In compliance with the provisions of the Companies Act, 2013, Rules made thereunder & any amendments thereof and other applicable laws and in accordance with principles of good corporate governance, the Audit Committee of the Company is committed to adopting proper mechanism to receive and address any concern or complaints regarding questionable accounting or auditing matters, internal accounting controls, disclosure matters, reporting of fraudulent financial information to our shareholders, any government entity or the financial markets, or any other matters of the Company involving fraud, employee misconduct, illegality or health and safety and environmental issues which cannot be resolved through normal management channels. Further the mechanism adopted by the Company should encourage the employee and Directors of the Company to report genuine concerns or grievances and shall provide for adequate safeguards against victimization of employees and directors who avail of such mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases.

This policy enables the Whistle Blower to raise concerns, without any fear of retribution or vengeance, if he or she has reasonable grounds to believe that the malpractices observed are likely to be detrimental to the interests of the Company.

5.1 Definition

- a) **"Whistle blower"** is defined as any employee, director, customer, vendor, and/or third-party intermediary engaged to conduct business on behalf of the Company such as agents and consultants who has or had access to data, events or information about an actual, suspected or anticipated Reportable Matter within or by the organization, and, whether anonymously or not, makes or attempts to make a deliberate, voluntary and protected disclosure or complaint of organizational malpractice.
- b) **"Reportable Matter"** means Questionable Accounting or Auditing Matters (defined in S. No. c), and/or any other Company matters involving abuse of authority, breach of YES SECURITIES Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues, wastage/misappropriation of Company funds/assets, victimization of employees and directors who avail this mechanism and any other unethical conduct.
- c) **"Questionable Accounting or Auditing Matters"** include, without limitation, the following:
 - Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
 - Fraud or deliberate error in the recording & maintaining of financial records of the Company;
 - Deficiencies in or non-compliance with the Company's internal accounting controls;
 - Misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company;
 - or
 - Deviation from full and fair reporting of the Company's financial condition
- d) **"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, Sec 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement

- e) **"Director"** means a Director on the Board of Directors of the Company whether whole time or otherwise.
- f) **"Disciplinary Action"** means any action that can be taken on the completion of/during the investigation proceedings, including but not limited to, a warning, recovery of financial loss incurred by the Company, suspension/termination from the services of the Company or any such action as is deemed to be fit by the Company considering the gravity of the matter.
- g) **"Executives"** or **"Employees"** means every employee of the Company including Advisors/Consultants/Trainees etc. but does not include MD&CEO and/or Directors on the Board or any of its sub-committee(s).
- h) **"Named Person"** means person/s against or in relation to whom a Reportable Matter has been made or evidence gathered during course of an investigation.
- i) **"Whistle Blower Committee"** (WBC) shall comprise of the following senior executives of the Company . The quorum of the WBC shall be three members, who must be present at each meeting.
 - 1. Head – Human Capital Management
 - 2. Chief Legal & Compliance OfficerChief Operating Officer

WBC may induct any officer/s of the Company on a need based given their area of expertise.

5.2 Objective

- 5.2.1.** YES Securities (India) Limited (**"the YSL"**) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the YSL strongly encourages all its executives and associated stakeholders, who may have concerns pertaining to any suspected malpractice/misconduct, to come forward and express themselves without any fear of unfair treatment.
- 5.2.2.** The intent of this policy is to provide a structured mechanism for YSL's executives and associated stakeholders to raise their concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.
- 5.2.3.** The policy has been prepared considering the prevailing applicable regulatory/ statutory guidelines. In case of any variance between the Policy and the applicable guidelines, the applicable guidelines shall prevail over the policy

All subsequent modification to the applicable regulatory/statutory guidelines shall be deemed to have been incorporated in the policy from the date they became effective, pending ratification by the board, unless a specific exemption has been sought/obtained from the regulator(s).

The Policy intends to encourage and enable Whistle blower to raise Reportable Matters.

The policy aims to:

- Enable a Whistle blower who observes an unethical or improper practice (not necessarily a violation of law), to feel confident in raising serious concerns and to question and act upon concerns about the practice.
- Provide avenues for Whistle Blower to raise their concerns and receive feedback on any action taken.
- Assure the Whistle Blower that he/she will be protected from possible reprisals or victimization for reporting genuine concerns or grievances.

5.3 Regulatory Guidelines

The Policy is formulated primarily in compliance with the principles of good governance and all other applicable law as per provisions of SEBI.

As per Companies Act, 2013 - It requires the establishment of vigil mechanism for all companies, as part of the whistle blower policy, for the Directors and Employees of such companies to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It also provides that a whistle blower mechanism be provided by such company enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

5.4 Applicability

This policy is applicable to complaints against all Employees of the YSL including Advisors/Consultants/Trainees etc. In case, if any complaint is received against MD&CEO or any other member of the Board, then the same shall be dealt in the manner as provided in the clause 5.7 of this policy.

5.5 Scope

The Policy of the Company intends to cover Reportable Matters (as defined in 5.1.b) and including but not limited to the following:

- a) Corruption
- b) Misuse of office
- c) Non adherence to the Code of Conduct
- d) Criminal offences
- e) Suspected/actual fraud
- f) Financial Irregularities
- g) Any act resulting in financial loss/operational risk, loss of reputation etc.
- h) Any act that is detrimental to depositors' interest/public interest

What Is Not Covered

The policy will **not** apply to personal grievances concerning an individual's terms and conditions of employment, or other aspects of the working relationship, complaints of bullying or harassment or disciplinary matters.

5.6 Raising a Concern

Who Can Raise a Concern?

Any Whistle Blower who has a reasonable belief that there is serious malpractice may raise a concern as per the procedure prescribed in this policy (which may relate to fellow executive(s), immediate Reporting Authority / subordinate or senior management executive(s)). Concerns must be raised without malafide intent and in good institutional faith, and the executive must reasonably believe that the information disclosed and any allegations contained in it, are substantially true and not frivolous.

Confidentiality

To the extent possible within limitations of the applicable law and requirements of the investigation, the identity of the Whistle Blower shall be kept confidential by the Company and shall not be disclosed unless such disclosure is necessary for proper investigation. Any such disclosure if made, for the purpose of a proper investigation shall carry with it a caveat of secrecy and non-disclosure by the recipient, so that any further unauthorized disclosure by such person of the identity of the Whistle Blower shall constitute a breach of disciplinary guidelines applicable to such persons to ensure confidentiality of the same. However, at the appropriate time, the Whistle Blower may have to come forward as a witness.

Anonymous Allegations

This policy encourages the Whistle Blower to put his/her name to the allegation whenever possible. Concerns expressed anonymously are much less powerful but will be reviewed at the discretion of the Company. In exercising the discretion, the factors to be taken into account would include, amongst others:

- The seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources

How to Raise a Concern

Any person sighting any of the said adverse activities including the above shall report the same within three months from the date he / she comes to know about the said adverse activity; however, it would be appreciated if the same is raised as soon as possible.

An email complaint can be sent to the whistleblower committee at whistleblower@ysil.in which is then forwarded to the investigation officers.

The said Committee will appoint the investigation officers.

- The complainant shall, together with the intimation about the said adverse activities, furnish all the documents and information, which may substantiate his suspicion. The Company does not expect the complaining executive to prove the concern voiced by him so far as the said executive is raising the concern in good faith and in bona fide interest of the Company.
- The complainant shall send his/her communication by email at the email id prescribed above.

- The Investigating Officers shall thoroughly investigate about the concern raised by the complaining executive if the concern raised by the said executive is prima facie found to be serious. The Investigating Officers shall submit their report with recommendation to the Review Committee. The decision of the Review Committee in this regard shall be final and binding on all the concerns.
- The executive shall disclose his / her name in the communication sent. If the executive has chosen to maintain anonymity about his/her identity, the Review Committee shall have the discretion to consider the matter depending upon inter alia, the seriousness and credibility of the issues raised.
- If an executive raises a concern which is genuine under this policy, the Company shall assure that he / she will not be at a risk of losing his / her job or being suffered from any form of retribution as a result. If the executive requests for protection/anonymity, the Company shall not disclose it without his/her consent. However, if the identity of the complaining executive is required to be disclosed during the course of investigation, (say want of evidence in the Court etc.) the Company shall have the right to disclose the same.

Where the executive has disclosed his/her concerns about the said adverse activities in good faith, no action would be taken against him/her even if the same could not be proved during the subsequent investigation.

5.7 How the Review Committee Respond

Procedure for handling Concerns reported

- 5.7.1 All the “Reportable Matters” received through official communication or otherwise will be categorized into two broad categories:
- a) “Reportable Matter” against MD & CEO and/or any other member of the Board of Directors;
 - b) “Reportable Matter” against Executives.
- 5.7.2 The Reportable Matter reported against MD & CEO and/or any other member of the Board will be handled by the Audit Committee. The matter will be routed/placed before the Board in its first available meeting (from the date complaint is filed). Final redressal of the complaints against the Directors shall be disposed by the Board.
- 5.7.3 The Reportable Matter filed against Executives will be submitted to the WBC for appropriate action.

Whistle Blower Committee comprising of following senior executives of the Company will review concerns raised through whistleblower@ysil.in / other sources and direct for investigation and subsequent corrective actions.

Name of the Member	Role	Official E-mail Address	Designation
Mr. Abhijeet Bose	Member	abhijeet.bose@ysil.in	Head– HCM
Mr. Aditya Goenka	Member	aditya.goenka@ysil.in	Chief Legal & Compliance Officer
Mr. Viswanath Srinivas Pendyala	Member	Srinivas.pv@ysil.in	Chief Operating Officer

This Committee will decide whether the concern raised should be dealt under the Policy or any other policy prevalent under the Company. If the concern is dealt with under this policy then the Company will take the following steps:

- It will ascertain from the Whistle Blower whether he/she was the person who made the concern or not
- The Committee will not reveal the identity of the Whistle Blower unless the Whistle Blower himself/herself has either made the details of the concern public or disclosed his identity to any other authority
- In case of anonymous complaint, the Committee shall make discreet inquiries to ascertain if there is any basis for proceeding further with the concern

Either, as a result of the discreet enquiry or on the basis of the reported concern itself without any inquiry, the Committee depending upon the nature can cause the concern to be:

- Investigated internally
- Referred to the External Auditors
- The subject of independent enquiry
- Referred to an outside body/authority viz. Police etc.

The investigator appointed by Whistle Blower Committee will submit investigation report along with the recommendations to the said Committee of the Company within 30 days from the date of assignment of the case. The following steps may be taken by Whistle Blower Committee. However, the Whistle Blower Committee will update CEO in case of complaints involving Top / Senior Management executives of the Company.

- Appropriate disciplinary action to be initiated against the concerned executive.
- Appropriate administrative steps to be initiated for redressing the loss caused to the Company as a result of the corrupt act or misuse of office, or any other offence
- Recommend to the appropriate authority / agency for initiation of criminal proceedings, if warranted by the facts and circumstances of the case
- Recommend taking corrective measures to prevent recurrence of such events in future
- Such other appropriate direction, action or step as deemed suitable, keeping in view the facts and circumstances of the case

A quarterly status report on the total number of complaints received during the period, with the findings of investigation and the corrective actions taken will be submitted to the Audit Committee as an update.

If any of the members of either the Audit Committee or the Whistle Blower Committee have a conflicted of interest in a given case, they should recuse themselves and the others on the Committee would deal with the matter as appropriate.

5.8 Governance Structure:

The Audit Committee shall ascertain and ensure that the YSL has adequate and functional vigil mechanism, to ensure that the interests of a person who uses such mechanism are not prejudicially affected because of the same. The Audit Committee shall also review the effectiveness of the vigil mechanism and implementation of the Whistle Blower Policy. The details of establishment of vigil mechanism shall be disclosed by the YSL on the website and in the Board's report to the stakeholders. Further, new joiners shall be informed about the policy by Human Capital Management Department

during new joinee induction programs. It shall be also ensured that, executives have ongoing awareness of the Whistle blower policy through periodical communications.

5.9 General

The amount of contact between the executives/officers considering the reported concern and the Whistle Blower will depend on the nature of matters raised, the potential difficulties involved and the clarity of information provided. If necessary, the Company will seek further information from the Whistle Blower.

The Company will take steps to minimize any difficulties, which the Whistle Blower may experience, as a result of raising a concern. For instance, 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.

The person or persons against whom the concern is raised will be informed about the same and will be allowed to respond keeping in mind the principles of natural justice.

The Company will ensure that the concern raised has been properly addressed, and subject to legal constraints the Company will inform the Whistle Blower of the outcome of the action taken.

Protection to Whistle Blowers

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 genuine 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/her duties/functions including making further Reportable Matter.

The Company will take all safeguards to prevent harassment or victimization of the Whistle Blower raising a genuine concern. If the Whistle Blower feels, that he/she is being victimized or has suffered adverse treatment; he/she should submit a formal complaint to the Chairperson of the Audit Committee. If it appears that there are reasonable grounds for making the complaint by the Whistle Blower, the onus will be on the person against whom the complaint of adverse treatment has been made, to prove that the same is not the case or that the actions complained of were not taken in retaliation to the concern raised by the executive.

Where it is determined that there is a prima facie case that the Whistle Blower has suffered adverse treatment, harassment or victimization as of result of his or her disclosure or reporting of genuine concerns or grievances, a further investigation may take place and appropriate disciplinary action may be taken against the perpetrator in accordance with the relevant procedure. This may also include, at the Company's discretion, directing the perpetrator to suitably compensate the Whistle Blower for the loss suffered by him/her, if any.

If a Whistle Blower makes an allegation in good faith, but if such allegation is not confirmed by the investigation, no action will be taken against the Whistle Blower. However, Whistle Blowers, who make any Reportable Matter against Executives/MD&CEO/Directors, which have been subsequently found to be mala fide, frivolous, malicious, or for personal gain, the Company reserves its right to initiate appropriate disciplinary action (if applicable) against him/her and/or seek other legal remedies, if any.

However, such Whistle Blower(s) would be afforded an opportunity of personal hearing before taking any penal action.

In case of repeated frivolous Reportable Matters being filed by a Director or an Executive, the Audit Committee may take suitable action against the concerned Director or Executive. However, such Whistle Blower(s) would be afforded an opportunity of personal hearing before taking any penal action.

Records

All records pertaining to concerns raised will be retained for a period of 8 years.

The Responsible Officer

The Quarterly Status Report as mentioned above will be submitted by Human Capital Management Department to Company Secretary Department. The Company Secretary shall place Quarterly Status Report with the Audit Committee on the total number of complaints received during the period along with the findings of investigation and the corrective actions taken.

Amendment

The Audit Committee of the Company is authorized to approve amendments to the Policy of the Company to bring it in line with any regulatory changes introduced by Companies Act, 2013 and the rules made thereunder or by virtue of any other legislation enacted by any other regulatory authority or the Government whether Central or State as applicable from time to time.

Policy Exception

Not Applicable

Conflict of Interest

Where any investigating official or member of the Whistle Blower Committee/Audit Committee/Board of Directors has a conflict of interest in the matter, he/she shall recuse and the remaining members may proceed to deal with the matter.