

Vardhaman Capital Pvt.Ltd.

DATA ENCRYPTION PROCEDURE

Policy created by	Designated Officer
Policy reviewed by	Technology Committee
Policy reviewed on	31-12-2024
Policy Approved by	Board of Directors
Policy approved on	04-01-2025

Version - 1.0

Overview

Data encryption is a critical aspect of information security aimed at protecting sensitive data from unauthorized access. This procedure outlines the process of encrypting data at rest and in transit across the organization's IT infrastructure to ensure confidentiality, integrity, and compliance with regulatory standards. Applicable to all systems and networks where confidential, personal, financial, or regulatory data is stored or transmitted by the Stock Broker / Depository Participant.

Purpose

The purpose of this procedure is to:

- Define responsibilities for encrypting sensitive and critical data.
- Ensure data is protected using strong encryption algorithms and secure key management practices.
- Safeguard customer, employee, and business data from unauthorized disclosure.
- Comply with applicable laws, industry regulations, and internal policies.

Procedure

Data at Rest

- AES-256 encryption to be applied to database files, configuration files, backups, and user-level data folders.
- Removable storage (USB, external drives) must have full-disk encryption.

Data in Transit

- TLS 1.2+ enforced for all file transfers, emails (S/MIME or secure gateway), and APIs.
- SFTP or HTTPS to be used for all back-office uploads and regulatory reporting.

Password Storage

- Passwords to be stored using irreversible SHA-256 hashing with salt.

Key Management

- Keys stored in HSM/KMS with periodic rotation (6 months).
- Role-based access control with audit trails on key usage.

Audit & Reporting

- Encryption review logs to be maintained quarterly.
- Audit trail of key access and encryption policy enforcement to be reviewed by the Compliance Officer.

Change in the Policy will be adopted as and when required by the company and is binding on all the Staff / Employees /and Directors of the Company.

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CISO: Anup Kumar Khandelwal

Dated: - 04-01-2025