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THE KALYAN JANATA
SAHAKARI BANK LTD.
MULTI-STATE SCHEDULED BANK

Whistle Blower Policy (WBP)

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1. Preamble:

Whistle blowing, involves reporting of wrong doing within an Organization either to internal or external parties. A whistle blower is a person, often an employee, who reveals information about the activity within the Bank that is deemed illegal, immoral, illicit, unsafe or fraudulent. He/She can use any channel of communication to communicate information or allegation. Normally such information is revealed by HRD/CRO/CCO/CVO or a naturally third party within the Bank's Head Office hoping that the Bank will address and correct the issues.

Retaliation is the real whistle for whistle blower & the most common is abrupt termination of employment. However retaliation to whistle blower could be in other softer formats such as transfer etc. This has to be avoided.

To safeguard the Bank against internal /external threats like frauds, bribery, corruption, abuse of authority, non compliance with laid down systems and procedures, transgression of delegated authority etc., involving financial and reputational implication, constant vigilance at all levels is necessary through a process, where each and every employee / director has certain role-play and is duty bound to execute the same.

The staff members/directors are expected not to be silent spectators to any wrong doing in the branch/ office but to report the same to the higher authority/ies concerned. The same is intended to ensure that a few unscrupulous staff members are not vitiating the overall atmosphere/work culture and putting the Bank's interest in jeopardy.

Staff members/directors, many a time, are hesitant to come forward and report about wrongdoings, mishaps around them fearing disclosure of identity and probable retribution/ victimization from the official/s concerned. In order to instil confidence in the staff members/directors as well as to prevent the mishap at the initial stage itself, a need was felt for introduction of 'Whistle Blower Policy' which will lead to ensure more effective Corporate Governance.

2. Objective of the Policy:

To encourage the Bank's employees who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

To provide necessary safeguards for the protection of the employees from reprisal for whistle blowing in good faith.

The policy aims at providing an avenue for employees to raise concerns on any violations of regulatory or legal requirements, non compliance of laid down system and procedures, wrong-doing, misconduct, irregularities, governance weaknesses, financial reporting issues e.g. mis-selling, corrupt business practice, violation of provision of applicable laws.

3. Scope and Coverage: (Advisory norms not be acted upon)

The Whistle Blower's role is that of a reporting party with reliable information and intends to unearth serious concerns that could have grave impact on the operations and performance of the business of the organisation. Only, Nodal Officer will be responsible to open the envelope and access the mail received from Whistle Blower. It will be sole responsibility of the Nodal Officer to maintain the secrecy of the Whistle Blower. Any disclosure of the name of the Whistle Blower may be considered as the Breach of Trust by Nodal Officer and accordingly action can be initiated against Nodal Officer. The Nodal Officer shall place before the Staff Committee all complaints pertaining to The Kalyan Janata Sahakari Bank Ltd., action taken and investigation carried out. The report to be placed to the Staff Committee may cover areas such as:

- Breach of Bank's Code of Conduct
- Questionable accounting or auditing matters
- Any Bank matters involving abuse of authority
- Fraud, bribery or corruption
- Employee Misconduct
- Illegality
- Wastage/ misappropriation of Bank's funds/assets
- Victimization of employees and Directors
- Harassment
- Breach of IT security and data privacy. Any other unethical conduct.
- Breach of any law, statute or regulation by the Bank
- Issues related to accounting policies and procedures adopted for any area or item
- Acts resulting in financial loss or loss of reputation
- Misuse of office, suspected/actual fraud and criminal offences. Further, the list as mentioned above is of indicative in nature and not exhaustive. Anonymous/pseudonymous complaints may be covered under the Whistle Blower Scheme and entertained, based on the importance of information therein and at the discretion of the Staff Committee on its further investigation. Sexual harassment complaints and HR process related grievances will be referred to Human Resource Department for investigation, resolution and closure.
- Not to be acted upon complaint filed by anonymous.

4. Who can blow the whistle?

Under the Policy all employees of the Bank/directors, depositors/borrowers/shareholders/public having sufficient grounds for concern about wrong doing/unfair practices carried out in the Bank can lodge the complaints. The complainant would be referred to as the "Whistle blower".

5. Investigating Authority

Nodal Officer: The Designated Officer will act as the designated "Nodal Officer" and he will receive all the complaints under this Policy and place before the Staff

Committee all complaints pertaining to The Kalyan Janata Sahakari Bank Ltd., action taken and investigation results.

6. Mode of whistle blowing - Make complaint:

Email Complaint: nodalofficer.whistleblower@KJSB-bank.com

Physical Complaints: Write a letter to The Nodal Officer, The Kalyan Janata Sahakari Bank Ltd., Kalyanam_astu, Om Vijaykrishna Apts., Adharwadi, Kalyan (W) - 421 301.(Anomaly not to be entertained)

7. Whistle Blowing Mechanism - Process Flow for making Complaint:

a) Complaints through e-mail

Whistle blower will have the option of lodging his/her complaint only through offline/e-mail mode. The detailed procedure to be followed by the complainant for lodging the complaint under "Whistle Blower" category is as under:-

The access right to open/view/access the complaints under "Whistle Blower category is restricted with the nodal Officer i.e. Head HRD. It will be sole responsibility of the Nodal Officer to maintain the secrecy of the Whistle blower. User ID and password to access the mail will be with the Nodal Officer only.

Nodal Officer would ensure to separate name of the Whistle Blower while, taking print-out of the complaint, to safeguard the identity of the complainant and accordingly place it before the Staff Committee. This will ensure in protecting the identity of the complainant as also confidentiality of the contents since only Nodal Officer will have right to access the complaint. All such complaints received should be kept in a safe custody i.e. in a lock and key in the custody of the Nodal Officer.

b) For lodging the complaint offline (i.e. in physical form)

The complaint should be necessarily in a closed/sealed envelope, which shall be opened by the Nodal Officer only.

The envelope should be addressed to the Nodal officer and should be super scribed "Complaint under Whistle Blower Policy" . If the envelope is not super scribed and not closed, it will not be possible for the Nodal Officer to protect the identity of the complainant and the complaint will be dealt with as per the normal complaint handling policy. Any such envelopes / complaints received need to be opened only by the Nodal Officer in confidence. The complainant has to provide his/her name and address in the beginning or at the end of the complaint or in separately attached letter. All such complaints received should be kept in a safe custody i.e. In a lock and key in the custody of the Nodal Officer only.

It is optional for the complainant to sign the complaint if preferred to use offline mode for lodgement of complaint. It is worth mentioning here that Nodal Officer may entertain any anonymous/pseudonymous complaint, subject to importance therein. In case the information contained in such complaint is found to be genuine, Staff Committee may take up a decision on its further investigation. Else, such complaints will be preserved for record purposes only.

8. Resolution Structure -Mechanism for handling Whistle Blower Complaints:

8.1 Handling of Whistle Blower Issues (Internal or external):

- a) Through e-Mail:** Only Designated Nodal Officer shall have the rights to view and add observations to the whistle blower complaint/s. The Nodal Officer shall separate the identity from the complaint and shall place it before the Staff Committee for deliberation and taking appropriate course of action on the complaint.
- b) Physical Mode:** The whistle Blower Complaints in offline mode shall be received by the office of Nodal Officer (on the address given at point No. 5) and placed before the Staff Committee by taking due care.
- c)** If the complaint is made against the Senior Executive it may be referred directly to the Staff Committee and if against any Director, then directly to Board by taking due care.

8.2 The mechanism for Whistle Blower complaints will be as under:

8.3 Nodal Officer, after receipt of the complaint shall take-up with the Staff Committee by shielding/detaching the identity of Whistle Blower. If the complaint is anonymous/pseudonymous, the Nodal officer shall maintain the record of such complaint and escalate it to the Staff Committee for information and deliberation if any, and it will be at the discretion of the committee to take a decision on its further investigation.

8.4 Only Nodal Officer will have the rights to view e-mail and the details of complaints received. User ID and password to access the email will remain with the Nodal Officer only. In case of complaints in physical form, the Nodal Officer will open the envelope by keeping the name of the whistle blower strictly confidential. While, presenting the complaint to the Staff Committee, the Nodal Officer shall not disclose the name of the Complainant. In case of complaints in physical form, the Nodal Officer will open the envelope by keeping the name of the whistle blower strictly confidential. While, presenting the complaint to the Staff Committee, the Nodal Officer shall not disclose the name of the Complainant.

- 8.5 Investigation Initiation Process:** The Nodal Officer upon receipt of the complaint/concern shall immediately take it up with the Staff Committee for a preliminary view. Accordingly, as per the direction of the Committee, set in motion appropriate action to inquire into the matter.
- 8.6 Investigation Report:** After conducting investigation, if it reveals that there was misuse of office and/or substance in the allegations of corruption, the Staff Committee, shall recommend appropriate course of action which shall inter-alia include following:
- Appropriate proceedings against the concerned staff member,
 - Recommend to appropriate authority / agency for initiation of criminal proceedings in suitable cases, if warranted, by taking into consideration facts and circumstances of the case
 - Recommend corrective measures to prevent recurrence of such events in Future
 - Any other action as deemed fit by the Staff Committee.
- 8.7 Role of HR:** However, wherever there is an element of fraud in the complaint, the Staff Committee, post investigation, may refer the subject to the HR Department for their inputs and further course of action if required or may direct MD & CEO for deliberating and taking a decision in the matter.
- 8.8 Investigation by external Agencies:** External, technical and other resources may be drawn upon as necessary to augment the investigation. Staff Committee through Nodal officer will decide on the appointment of external agencies, depending on the nature of investigation. In case of appointment of external agency, Nodal Officer will keep Staff Committee informed through quarterly reporting. Investigating agency, including investigators working for the agency, shall be bound to maintain confidentiality about identity of the Whistle Blower.
- 8.9 Timelines for Investigation:** Inquiry into the concerns received by Nodal Officer shall be normally completed within 90 days from the date of receipt. Concerns requiring additional time to investigate shall be intimated by the concerned to the Nodal Officer who will take it further to Staff Committee with reasoning for seeking extension of time at the time of reporting the status of the of the inquiry and action taken on a quarterly basis or as may be required.
- 8.10 Interviews:** Permission need to be obtained from the Staff Committee for disclosing the name of the Whistle Blower, in case of inquiry compulsions, during the course of investigation. On obtaining permission from the Staff Committee, authorised officials may interview relevant person to seek information. Such interviews can be in the form of in person, telephonic discussions, Video Conferencing, explanation sought through email and written explanation. Prior intimation of the interview may be given to Whistle Blower through the Nodal Officer, and it will not be discretion of the Investigation Officer. In person and telephonic discussions may be recorded to ensure integrity of the investigation process and to maintain proper records.

Recordings shall not be provided to any authority except with the prior approval of Nodal Officer/Staff Committee.

8.11 Filing of Police Complaints: In case of criminal breach of trust, fraud or such activity is detected during the course of investigation, falling within ambit of criminal proceedings, and if required under prevalent law/regulations, Bank would initiate action and Chief Vigilance Officer will file the complaint under the directions of Nodal Officer/Staff Committee. Responsibility of Fraud Monitoring Report if any would be with Risk Management Department in case of Fraud Cases.

8.12 Recovery of fraud losses/misappropriation: In case of any loss to the Bank, respective Business/Operations group will initiate recovery proceedings with the involvement of Human Resource Department and Chief Vigilance Officer and take suitable legal recourse as may be necessary.

8.13 Categorisation of complaints: Based on conclusion of investigation, complaints will be categorized in three categories as follows:

a. Allegations substantially proven: In case of genuine complaints, action will be initiated and will be reported to the Staff Committee.

b. Allegation Investigated and proven "False": In case of false alarm cases, if investigators find proof that complaint was made with malicious intent, if identity of the complainant is known or is traced by the investigators, matter would be reported to the Staff Committee for initiating any action if required against the Complainant. Accordingly, on receipt of remarks from Staff Committee, Human Resources Department will suggest the appropriate action within parameters of Banks Code of Conduct and report to Nodal Officer to obtain consent of the Staff Committee for execution of the said action. Staff Committee may even relinquish the charges with warning.

c. Allegations could not be proven: Allegations could not be proven due to lack of evidence incomplete information and lapse of substantial time between occurrence of the event and complaint. In case of complaints which could not be proven, no action would be taken and as such, the status will be reported to Staff Committee.

8.14 The Committee shall instruct MD & CEO for taking suitable action within ten working days from the date of receipt of the report.

- 8.15** Technical and other sources may be drawn upon as necessary to augment the investigation. The staff committee, if deems fit, may call for further information and may involve any other/additional Officer or outside agency for Investigation. While doing so, it must be observed that the confidence of the staff member is not divulged/ does not shake.
- 8.16** The Investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process. The investigation shall normally be completed within 90 days of the receipt of the protected disclosure and is extendable by such period as the staff committee deems fit.
- 8.17** If the complaint is found out to be frivolous or Bank is not taking any action, then the same will be intimated to the whistle blower by updating the status of the complaint through email to the whistle blower or by letter addressed to whistle blower. (by Nodal Officer)

9. Closure of Complaint:

9.1 Criteria for closure of complaints:

False alarms and complaints which could not be proven will be considered as "Closed" immediately on conclusion of investigation and it will be reported to Staff Committee by Nodal officer. Closure status would be approved by Nodal Officer. In case of genuine complaints, such cases will be considered as "Closed" once following actions, as applicable and appropriate have been taken:

- Action against person/persons against whom charges were proven
- Initiation of recovery of the losses suffered due to fraud, if any
- Police complaint/s filed
- Reporting in Fraud Monitoring System in case of frauds

9.2 Only after confirmation of compliance with the above requirements, a case will be reported as "Closed" to the Staff Committee as far as Nodal Officer is concerned and thereafter it will be dealt by Chief Vigilance Officer.

10. Protection to Whistle Blower:

10.1 If one raises a complaint under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance of any manner. As a result of reporting under Protected Disclosure the protection is available provided that:

- The Whistle Blower has chosen to identify himself. .
- The communication/disclosure is made in good faith.
- The Whistle blower reasonably believes that information and any allegations contained in it, are substantially true.

- The Whistle Blower is not acting for personal gain.
 - A whistle blower has the right to protection from retaliation. But this does not extend to the immunity for involvement in the matters that are subject of the allegations and investigations.
 - Action shall be taken against frivolous internal complaints & the same will be fined.
- 10.2** Anyone who abuses the procedure (for example by maliciously raising a complaint knowing it to be untrue) will be subject to investigation by external investigation agency as per law of natural justice clause of Constitution. However no such investigation will be carried out against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.
- 10.3** Further, if any official/director is aggrieved by any action on the ground that he is being victimised due to the fact that he had filed a complaint, he may file an application before the Staff Committee seeking redressal in the matter. Staff Committee will ensure that no punitive action is taken by any concerned authority against any person on perceived reasons /suspicion of being "Whistle Blower".
- 11. Retaliation:** Whistle Blower will not in any way be liable to disciplinary action or loss of benefits, right or prospects as a result of his/her action. Retaliation shall not be permissible against any Whistle-Blower and the Bank will not tolerate any attempt on the part of anyone to apply any sanction or disadvantage or to discriminate against any person who has reported concern.
- 12. Responsibilities of Whistle Blower**
The intent of this Policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures. Employees are expected to exercise their rights under this Policy in a judicious manner by adhering to the following guidelines.
- Avoid anonymity when raising a concern
 - Follow the procedures prescribed in the Policy for making a disclosure.
 - Bring to early attention of the Bank any improper practice he/she become aware of, delay in reporting may lead to loss of evidence and also financial loss for the organisation.
 - Co-operate with investigating authorities, maintain full confidentiality.
- 13. Escalation Matrix:**
If the Whistle Blower/Complainant is not satisfied with the response of the Staff Committee or is not satisfied with the decision of the Investigating /Screening Committee he/she is free to take up the matter with the Board of Directors through written communication for reconsideration.

14. Display/Awareness of the Policy:

The Kalyan Janata Sahakari Bank Ltd. Whistle Blower Policy will be displayed on the web-site of the Bank. Branch/Offices will disseminate the contents of the policy among all staff members.

15. Periodicity of reiteration: Whistle Blower Policy will be reiterated to all employees, at least every six months communications will be sent through email and records of the same will be maintained under records retention policy for a period of 10 years.

16. List of Documents to be maintained (As applicable)

- a. Copy of complaint in hard form that can be filed and preserved.
- b. Copy of the complaint in soft form that can be provided through email whenever required.
- c. Records collected during investigation including, electronic data and documents.
- d. Reports submitted by the investigators.
- e. Final reports submitted to concerned Business/Operations group.
- f. Audit Committee reports/reviews.
- g. Back-up of Committee papers.
- h. Any communication to/from Business Group, Operations Group, HRD etc.
- i. Records of action taken.
- J. Notes/details submitted to Audit Committee.
- k. Any other working papers relevant to the case.

17. Record retention: To provide protection to whistle blower and to maintain secrecy about identity of complainant, records collected during investigation, including complaint copy need to be preserved with strict controls by Nodal Officer. Further, to avoid leakage of information and avoid misuse of the information, data maintenance and retrieval need to be under proper & controlled environment.

18. Recognition:

In case a complaint results in detection of unethical practices/abuse of authority/fraud/other wrong doings and thereby averts or minimizes the financial / reputational loss to the Bank, the moral courage shown by the whistle blower will be recognized by the Bank by way of appropriate indirect incentives/benefits. Towards this end, Staff Committee will ensure that such genuine informants are given due weightage in career growth and placement as deemed fit. A dossier will be personally maintained by the HR Head in strict confidence for the purpose. The Staff Committee will ensure full protection against disclosure of identity of the whistle blower.

This Policy will be reviewed earlier, if RBI / Statutory Authority modifies its directions/ guidelines in this regard. In normal circumstances, this Policy will be reviewed annually in the Board.