

**PART B: WHISTLE BLOWER POLICY****VERSION 1.0****FRAUD RISK MANAGEMENT CELL (FRMC)**

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Policy Certification

Title Whistle Blower Policy- 2021-22

Version 1.0

Owned by	Fraud Risk Management Cell
Prepared By	Fraud Risk Management Cell
Reviewed By	Audit Committee of the Board
Approved By	Board
Effective From	01 April 2021
Validity	Till next Review

Version No.	Prepared By	Approved By	Effective Date
1	FRMC	Board	1-April-2021

Changes during the year:

Date of Issuance	Circular No.	Circular Name
Nil	Nil	Nil

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1. Preamble

As per RBI Master Directions vide circular dated 01.07.2016, employees should be encouraged to report fraudulent activity in an account, along with the reasons in support of their views, to the appropriately constituted Authority, under the Whistle Blower Policy of the Bank, who may institute a scrutiny through internal investigation. Protection should be available to such employees under the Whistle Blower Policy of the bank so that the fear of victimization does not act as a deterrent.

2. Objectives of the Policy

- 2.1 **Promoting culture of openness:** Whistle Blower Policy is an internal mechanism developed to encourage the employees to come forward for disclosing the happenings in the Organization which are being conducted against the interest of the Bank. This will encourage the culture of openness within the Organisation, rather than the employees venting their feelings on frauds/corruption elsewhere.
- 2.2 **Setting standards of Public Services:** Banks today are working in an increasingly competitive environment and Staff members may find themselves under increasing pressure to act at times deviating guidelines. In such institutions, vigilant employees who are Whistle Blowers represent the highest ideals of public service and expose abuse of power. Vigilant employees must be able to come forward and report cases of malpractice, fraud, safety violations etc., in the interest of the Bank, to maintain its public image and reputation.
- 2.3 **Compliance with Rules and Regulations:** The Bank has a responsibility to its shareholders, customers and public at large to conduct its affairs in compliance with the laws and regulations to which it is subject. Following ethical practices besides compliance with laws and regulations instills confidence in its employees, customers and others who conduct business with the Bank.

3. Custodian of the Policy

The functional GM (overseeing FRMC), will be the custodian of the policy.

4. Review of the Policy:

The ORMC of the Bank is authorised to approve any modification / amendments in the Policy. Such approvals are to be routed through ACB to Board for ratification.

5. Definition of Whistle Blower

An employee making a disclosure, about an improper practice, under this policy is commonly referred to as a Whistle Blower.

The Whistle Blower's role is that of a reporting party. He / she is not an investigator or fact finder, nor does he / she determine the appropriate corrective or remedial action that may be warranted.

6. Rights and Responsibilities of Whistle Blowers

- 6.1 Whistle Blowers should lodge their reports in confidence – as per Annexure-I of the Policy and the same will facilitate conduct of confidential investigation.
- 6.2 Confidentiality of Whistle Blowers shall be maintained.
- 6.3 All staff members of the Bank have a duty to cooperate with investigations initiated under this policy.
- 6.4 The motive of a Whistle Blower is irrelevant for consideration of the validity of the allegations. However, the intentional filing of a false report by the Whistle Blower is considered as an act deemed to be lacking in 'good faith'- in terms of point no. 10 of this policy and the Bank has a right to take appropriate action against the Whistle Blower.
- 6.5 A Whistle Blower will have right to protection from retaliation. But this does not extend immunity to him in respect of the matters that are the subject of the allegations or an ensuing investigation in which he is involved.
- 6.6 A Whistle Blower shall not ventilate to outsiders before exhausting the remedy internally.

7. Improper Practice

An improper practice is any activity by an employee at any level, that is undertaken in the performance of the employee's official duties, whether or not that action is within the scope of his or her employment and

- 7.1 it is in violation of any law or regulation of India or any other country under whose laws the employee is governed, including, but not limited to, corruption, malfeasance, bribery, theft of property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of property, or wilful omission to perform duty, or
- 7.2 is in violation of Bank's Code of Conduct or
- 7.3 involves gross misconduct, incompetence, or inefficiency,
- 7.4 lapses involving
 - a. gross or wilful negligence;
 - b. recklessness;
 - c. failure to report to Designated Authority, exercise of discretion without or in excess of powers/jurisdiction cause of undue loss or concomitant gain to one individual or a set of individuals, a party or parties;
 - d. Flagrant violations of systems and procedures.

8. Mode of reporting Improper Practice

- 8.1 Disclosures may be made orally or in writing or through Staff Portal or E-Mail or SMS or Telephone or FAX or through the template in the Intranet Helpdesk to Designated Authority.

Navigation Help Desk > Other Websites > In-house Applications >'Whistle Blower - for staff'.

- 8.2 The template for reporting by the Whistle Blower can be accessed through the link in the CBS Helpdesk under the User ID and Password of any employee of the Bank. The format for

disclosure is furnished under Annexure. At the receiving end, the template can be viewed only by the Designated Authority as mentioned in point no.9 of this Policy, in order to ensure the protection available to the Whistle Blower, as mentioned elsewhere in the Policy.

- 8.3 The Whistle Blower should disclose his/her name and full address.
- 8.4 In case of an oral disclosure, it should be followed up with a written communication within 48 hours, else no cognizance will be taken thereof.
- 8.5 The disclosure must be made to the Designated Authority who acts as the contact point. The Designated Authority assess the allegation and determines if it is a protected disclosure. (A protected disclosure is a statement or report about serious wrongdoing, like corrupt conduct, maladministration or a substantial waste of public money. It is an admission or revelation that - when fulfilling certain requirements- entitles the person who made the disclosure to support and protection from reprisals, victimisation or even prosecution. Protected disclosures are made internally in the Organisation, or to an Ombudsman or someone with the power to prevent retaliation against disclosure)
- 8.6 Following an investigation into the protected disclosure, the Designated Authority determines, whether the disclosure shows or tends to show occurrence of improper conduct or detrimental action.
- 8.7 The letter/document indicating the disclosure of improper practice shall not form a part of evidence to be adduced in a domestic inquiry, if any, to be initiated against any staff member in a departmental action.
- 8.8 After examining the findings submitted by the Investigation Team, the Designated Authority may cause such disciplinary action, as may be considered appropriate against the wrong doer or take preventive measures etc.

9 Designated Authority:

Designated Authority	Executive/Staff Involved
GM(Overseeing FRMC)	All Executive/Staff below the rank of General Manager
Executive Director	GMs

10. Protection:

In the present day scenario, a Whistle Blower is likely to be subjected to unfair termination or prejudicial employment practices. "Unfair termination" and "Unfair prejudicial employment practices" means to threaten, or otherwise discriminate or retaliate against a staff member in any manner that affects the member's employment, including compensation, job location, rights, immunities, promotions, or privileges.

A staff member communicates in "good faith" if there is a reasonable basis for the communication of a violation or has observed an unethical or improper practice. "Good faith" is deemed to be lacking when the staff member does not have personal knowledge of a factual basis for the communication or where the staff member knew or reasonably should have known that the communication about the unethical or improper practices is malicious, false or frivolous.

The Human Resources Management Policies and Service Regulations of the Bank shall contain provisions protecting "Whistle Blowers" from unfair termination and other unfair prejudicial employment practices.

Any employee who claims to have been victimised - for his role as a Whistle Blower - in any manner as specified above, may appeal to the Appellate Authority. The respective Appellate Authority as per Disciplinary procedures in vogue will be the Appellate Authority to hear appeals under this Policy.

11. Recognition for true and timely information

The Designated Authority shall acknowledge and recognize any staff member providing timely and factual information that saves the Bank from loss in any form - financial or otherwise. The recognition shall not be made public.

12. Punishment

Any staff member who knowingly makes false allegations of alleged improper practice to the Designated Authority shall be subject to disciplinary action.

However, the decision on reference to disciplinary proceedings shall vest with the appropriate Disciplinary Authority of the Bank.

13. Legitimate Employment Action

This policy shall not be used as a defence by a staff member against whom an adverse personnel action has been initiated for legitimate reasons or cause under the Bank rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee whose conduct or performance warrants action independent of his/her role as a Whistle Blower.

14. Dissemination

The Bank will put in place appropriate measures to advise all staff members of the existence of the policy, as adopted by the Board and amended from time to time, including placing the information on the Bank's web site.

In order to percolate the importance of Whistle Blowing, IMAGE shall take up this as an input in their training sessions including STCs.

Branch Managers shall also discuss the Whistle Blower system in their branch meetings and make all the staff members aware of their responsibilities under the policy.

HRM Department shall designate one day in a quarter as “Whistle Blower Day” to create awareness among staff in this regard. The HRM Department shall also consider the following measures to create awareness about Whistle Blower Policy by:

- SMS on employee mobile.
- Email on Personal Email Id of employees
- Scroll on Help Desk
- During RBIA Internal Auditors should sensitise the Branch staff.
- Sensitising the staff during the visits/Review meetings of ZO/FGM Officials.

15. Timeline for disposal:

Whistle Blower disclosures shall be disposed by the Designated Authorities at Corporate Office level within 3 months from the date of receipt of alert.

16. Update to the Audit Committee of Executives [ACE] / Audit Committee of the Board [ACB]

The General Manager (overseeing FRMC) shall, on a Half-yearly basis, place to the ACE / ACB a summary of alerts received and those on which action has been initiated.

17. Complaints against employees

The Policy covers complaints in respect of employees other than Whole Time Directors (WTD) and CVO.

Annexure I -Disclosure of actual fraud or suspected fraud or violation of Bank's code of Conduct or ethics:

1. Name of the employee indulging in violation
2. His designation
3. Name of the Branch / Office he is working
4. Details of violation
5. If the disclosure is made orally earlier to Designated Authority, date and time of such oral disclosure
6. Signature of the informant
7. Name of the informant
8. Designation
9. Branch / Office
10. Date

Annexure II – Glossary

Term	Full Form/ Meaning
ACE	Audit Committee of Executives
ACB	Audit Committee of the Board
CBS	Core Banking System
ED	Executive Director
FRM	Fraud Risk Management
GM	General Manager
ORMC	Operational Risk Management Committee
WTD	Whole Time Directors

Annexure III - Circulars/ Letters of Regulatory Authorities referred in the Policy

SI No	Ministry/ Regulatory Authority	Subject	Reference and Date
1	Central Vigilance Commission	Applicability of provisions of Public Interest Disclosure and Protection of Informers' (PIDPI) Resolution, 2004 and adoption of Whistle Blower Mechanism in the Public Sector Banks	No. CONF/MISC/19/02/412853 dated 11.03.2019
2	Ministry of Finance / Department of Financial Service	Applicability of provisions of Public Interest Disclosure and Protection of Informers' (PIDPI) Resolution, 2004 and adoption of Whistle Blower Mechanism in the Public Sector Banks	F No.14/5/2019 dated 15.04.2019
3	Reserve Bank of India	Master Directions on Frauds Classification and Reporting by commercial banks and select FIS	RBI/DBS/2016-17/28/DBS.CO. CFMC.Bc.No.1/23.04.001/2016-17 dated 01.07.2016 Updated as on 03.07.2017