



# INDRAPRASTHA SEHKARI BANK LTD.

## VERSION CONTROL DOCUMENT

<b>Policy No.</b>	30
<b>Policy Name</b>	<b>Whistle Blower Policy</b>
<b>Version No.</b>	1.0
<b>Board Resolution Date</b>	24.04.2024
<b>Board Resolution Number</b>	15(i)
<b>Review Date</b>	-
<b>Next review date</b>	01.05.2025 (or earlier if there are any changes)
<b>Classification</b>	Confidential for Internal Circulation only

### Version Control Information:

<b>Version No.</b>	<b>Date Issued</b>	<b>Author</b>	<b>Update Information</b>
1.0	24.04.2024	Head Office	



## ***WHISTLEBLOWER POLICY***

Whistleblowing involves reporting of wrongdoing within an Organization either to internal or external parties. Disclosures of such information in the public interest by the employees/public has gained acceptance by public bodies for ensuring better governance standards and transparency. Instances of fraudulent activities by employees/ stakeholders may result in substantial financial loss, loss of goodwill or even penal action against the officials of the organization.

RBI recently introduced a scheme called “Protected Disclosure Scheme for Private Sector and Foreign Banks” covering the features of a whistle blower policy. The RBI’s note on the subject states that this would get extended to other RBI regulated entities including Primary (Urban) Cooperative Banks in due course.

Keeping in line with our traditions of good governance and transparency, the Bank, suo moto, decided to draw up a Whistleblower Policy to provide a channel to its various stakeholders, for informing fearlessly, any event/ information of concern to the designated authority in the Bank.

**2. Objective** - The Bank is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Bank encourages its employees, depositors, borrowers, stakeholders & others who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

The objective of this Policy is also to provide necessary safeguards for the protection of the employees from reprisal or victimization for whistleblowing in good faith. The confidentiality of the Whistle Blower shall be kept at all times. Whistle Blower will not be victimized in any manner and full protection will be given under any circumstances.

Absolutely there will be no efforts to conceal/ hide protected disclosures. Stringent action will be taken if anyone tries to destroy protected disclosures.

**3.Scope & coverage:** Under the Policy, all employees of the Bank, depositors/ borrowers/shareholders/contractors/service providers/vendors & directors of the Bank, having sufficient grounds for concern, can lodge the complaints pertaining to acts of omission or commission by any of the employees. The complainant would be referred to as the “Whistleblower”.

Since UCBs are yet to be covered under RBI guidelines, the reporting of the complaints shall be made to Chief Executive Officer (CEO) of the Bank who shall act as ‘designated official’.

**4. The Whistle Blower Scheme:** The Policy is intended to cover the following serious and sensitive concerns: -

- Breach of Bank's Code of Conduct



## INDRAPRASTHA SEHKARI BANK LTD.

- Questionable accounting or auditing matters
- Any Bank matters involving abuse of authority
- Fraud, bribery or corruption
- Employee Misconduct (employee conduct rules of the bank)
- 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. Acts resulting in financial loss or loss of reputation
- Misuse of office, suspected/actual fraud and criminal offences

Further, the above list is indicative in nature and not exhaustive.

**4.1** Anonymous or pseudonymous complaints or disclosures may be dealt with on merits.

**4.2** The identity of the complainant / customer / other person (whistle blower) shall be kept secret, except in the following cases:

- The complaint turns out to be frivolous and action has to be initiated against the complainant.
- The complainant himself / herself has made the details of the complaint public.
- Under compulsions of law.

**4.3** Complaints involving CEO or Directors of the Bank, shall be referred to the Chairman who may act as the designated official/ authority.

**4.4** All the Whistle Blower complaints received shall be reported to the Board through Audit Committee of the Board. The Committee will decide whether investigation is to be conducted /to be continued in case investigation is already started, within its discretion. The Committee is also empowered to stop investigation, if the Committee so decides.

### **5. Procedures for blowing whistle:**

**5.1** The complainant should give his/her name and address either in the complaint itself or in a covering letter. In the case of an employee making such a complaint, details such as name, designation, department, and place of posting should be furnished. Follow-up questions and investigation may not be possible unless the source of the information is identified.



## INDRAPRASTHA SEHKARI BANK LTD.

5.2 The text of the complaint should be carefully drafted so as not to give any details or clue to the complainant's identity. The details of the complaint should be specific and verifiable. The complaint should be sent in a sealed /closed envelope.

5.3 The envelope should be addressed to The Designated Officer, Indraprastha Sehkari Bank Ltd. Head Office, A-101, Wazirpur Group Industrial Area, New Delhi-110 052. The Bank shall issue an acknowledgement to the complainant on receipt of the complaint.

5.4 Complaints can also be made through e-mail giving full details as specified above on the E mail ID ([ipbank@ipbankonline.com](mailto:ipbank@ipbankonline.com).)

5.5 The complainant is required to study all the relevant facts and understand the significance of the matter and thereafter having satisfied of the misdeed or wrongful act, make the complaint.

5.6 The Designated Authority shall not entertain or inquire into any disclosure in respect of which a formal inquiry has already been ordered under Bank's Service Regulations for Employees or matters which are sub-judice or being enquired in to by law enforcing agencies.

5.7 Avoid anonymity while raising a complaint. The Whistle Blower shall not file a complaint for personal gains.

### **6. Investigation procedure:**

6.1 The Designated Officer may take action against the complainants in cases where motivated complaints are made under the scheme, by using its own mechanism / the law enforcing agencies as deem fit.

6.2 The Designated Officer will conduct an enquiry/ investigation and the complainant will be informed of the action taken within a period of three months. The complainant will be informed even in cases where it is revealed through enquiry/ investigation that the complaint is without substance.

6.3 The frequency of contact between the complainant and the body investigating the matter will depend on the nature of the issue and the clarity of information provided. Further information may also be sought from him/her.

6.4 Based on a thorough examination of the findings, the Designated officer will prepare a report of the findings which would also recommend an appropriate course of action to the Chairman/Board.

6.5 All discussions in the matter will be minuted and the final report prepared. Appropriate action will be initiated against the employee, wherever warranted.



6.6 Appropriate administrative steps will be taken for redressing the loss, if any, caused to the Bank, as a result of the corrupt act or mis-use of office, or any other offence covered by the Policy.

6.7 Criminal proceedings, if warranted by the facts and circumstances of the case, will be initiated. Corrective measures to prevent recurrence of such events in future will be taken.

6.8 Subject to legal constraints, the complainant will receive information about the outcome of any investigation.

6.9 The complainants need not enter into any further correspondence with the Bank in their own interest to protect their confidentiality and identity. The Bank assures that, subject to the facts of the case being verifiable, it would take necessary action, as provided under the Whistle Blower Scheme. If any further clarification is required, the Bank will get in touch with the complainant at the address / phone number / e-mail ID given in the complaint.

6.10 Either as a result of the discreet enquiry, or on the basis of complaint itself without any inquiry, if the Designated Officer is of the opinion that the matter requires to be investigated further, it will call for the comments/ response from the concerned official of the Bank against whom the whistle is blown.

6.11 All employees of the Bank are duty bound to cooperate with investigation officials. If any employee fails/ refuses to cooperate or deliberately conceal any information/ document or provides any false or misleading information during the investigation, he shall be subject to disciplinary action as may be deemed appropriate.

6.12 If the complaint is in electronic form the Designated Officer will take the following steps:

- It would ascertain from the complainant whether he/she was the person who made the complaint; and
- Identity of the complainant will not be revealed unless the complainant himself/herself has made the details of the complaint either public or disclosed his/her identity to any other authority.

**7.Procedure for holding inquiry:** An employee against whom disciplinary action is proposed or is likely to be taken shall in the first instance be informed of the particulars of the charges against him/her and he/she shall be given proper opportunity to give his/her explanation as to such charges. Final orders shall be passed after due consideration of all the relevant facts and circumstances of the case. In case the Disciplinary Authority is not satisfied with the explanation of the delinquent employee, it may place him/her under suspension, if / where:

- the allegations are substantiated;
- He/she has engaged himself/herself in activities prejudicial to the interest of the bank;



- Appropriate disciplinary action to be initiated against the concerned official; and
- Appropriate administrative steps for recovery of the loss caused to the bank as a result of the corrupt act or misuse of office or any other offence covered by the Whistle Blower Scheme.

7.1 An employee may initially be placed under suspension for 6 months. Any extension of the suspension thereafter may be done only after periodic review of the same by the Designated Officer every 6 months.

7.2 During the period of suspension an employee shall be allowed subsistence allowance as per Central Government Rules.

7.3 The Designated Officer may himself enquire into the charges or he may appoint an Enquiry Officer who would conduct the enquiry on behalf of the management and submit his/her report to the Designated Officer.

7.4 An employee against whom disciplinary action is proposed shall be given a Charge Sheet clearly stating the circumstances appearing against him/her and a date shall be fixed for enquiry. The Designated Officer will appoint an Officer of the Bank, as Presenting Officer who would present the case on his behalf before the Enquiry Officer. Sufficient time would be given to him/her to prepare and give his explanation and to produce any evidence that he/she may wish to tender in his/her defence. He/she shall be permitted to appear before the officer conducting the enquiry and to cross-examine any witness produced by the Management and to examine witness and produce other evidence in his/her defence. He/she may be permitted to appoint any other employee of the Bank as his Defence Assistant, subject to the approval of that employee. The enquiry shall be held in accordance with the principles of natural justice, equity and fair play.

7.5 The Designated officer, on receipt of the enquiry report will furnish a copy of the same to the employee for his response to the same within such time as may be prescribed therein. The Designated Officer after taking into consideration the response of the delinquent employee shall give a hearing as regards the nature of the proposed punishment in case any charge is established against him/her.

7.6. If on the conclusion of the enquiry, no action is taken against the charged employee, he/she shall be deemed to have been on duty and shall be entitled to the full wages and allowances and to all other privileges for the period of suspension.

7.7 In awarding punishment by way of disciplinary action the authority concerned shall take into account the gravity of the complaint, the previous record, if any, of the employee and any other aggravating or extenuating circumstances that may exist.

7.8 The Chairman of the Bank will be the Appellate Authority. Any employee aggrieved by the order of the Designated Officer may prefer an appeal to the Chairman of the Bank within 30 days of the receipt/knowledge of the order of the Designated Officer. The Appellate Authority would pass a speaking order on the Appeal preferred by the employee and decide the same within 60 days of the receipt of the Appeal.



## **8. Protection available to the complainant**

8.1 The Bank strictly prohibits any discrimination, retaliation or harassment against any persons who prefers a complaint under this Whistle Blower Scheme or reports any incident or who participates in an investigation. Appropriate remedial measures will be taken up to set right such discrimination / retaliation, etc., if any.

8.2 If any person is aggrieved by any action on the ground that he is victimized due to filing of the complaint or disclosure, he may file an application before the Chairman of the Audit Committee of the Board seeking redressal in the matter. Chairman of the Audit Committee of the Board will take such action, as deemed fit. In case such complainant is an employee of the Bank, the Bank will take all measures, preventing initiation of any adverse personal action against the complainant, unless the complaint turns out to be frivolous.

8.3 The system evolved herein shall be in addition to any of the existing grievances redressal mechanism in place. However, secrecy of identity shall be observed, only if the complaint is received under the Whistle Blower Scheme.

8.4 Under no circumstances will a genuine complainant will be victimized by the Bank. They will be safeguarded from any adverse personal vindictive action.

8.5 In case the Bank finds that the complaint is motivated, it shall be at liberty to take appropriate steps including disciplinary/ punitive actions.

## **9. Incentives/ Rewards to the Whistle Blower**

The Bank will issue letters of appreciation signed by Chief Executive Officer or consider other forms of recognizing the effort in case of genuine complaint/s proved subsequently on investigation, depending on the magnitude of the loss/ damage detected/ avoided.

## **10. Responsibility of Board of Directors**

The Board of Directors of the Bank have the responsibility for proper implementation of this “Whistle Blower Policy” in the Bank. The Audit Committee of the Board is authorized by the Board to monitor and review the functioning of the Scheme in the Bank on a half yearly basis.

## **11. Disclosure in website and for public:**

The “Whistle Blower Scheme” shall be placed on website of the Bank. A copy of the Whistle Blower Scheme will also be displayed at prominent place inside the Bank premises for general information and notice of all members of staff, customers and general public.

## **12. Whistle Blower’s Role, Rights and Responsibilities**

12.1 The whistle blower will report the misconduct with reliable information.

12.2. The whistle blower will not act on his own in conducting any investigation.

12.3. The whistle blower will not file a complaint for personal gain.



12.4. The whistle blower will give information supported by reasonable evidence that an alleged wrongful conduct has occurred. However, the intentional filing of a false complaint will be considered an improper activity and management will have the right to act upon that.

12.5. The whistle blower will not try to obtain any evidence for which they do not have a right of access. Indulging in such activity shall be liable for appropriate action.

12.6 This policy may not be used as a protection by any employee against whom a disciplinary action has been taken or is already in process under Bank's rules and policies.

### **13. Decision and Punishment**

13.1. On the basis of the investigation report, if allegations are proved to be correct then the Bank shall recommend to the appropriate disciplinary authority to take suitable action against the responsible official. The Audit Committee of the Board shall be kept informed by the disciplinary authority on such disciplinary action being taken/ taken based on the recommendations made in the investigation report so as to have their oversight on such actions.

13.2. In case complaints prove to be malicious or fictitious then the Bank may take disciplinary/appropriate action against the complainant for making false allegation and wasting Bank's time.

13.3. The Audit Committee of the Board shall also have powers to look into and take necessary steps/ actions in respect of any complaints received from the complaining employee about any harassment/victimization etc., such action may include involuntary demotion/resignation/ retirement, disciplinary action, termination of employment, rejection of confirmation (in case of probation), etc. subsequent to his/her disclosing the concern to the investigating officers.

13.4. If complainant is not the employee of the Bank and allegation proves to be fictitious, malicious, false or baseless then the Bank will have right to take legal/appropriate action against the complainant and complainant shall be liable to compensate the person against whom complaint is lodged.

13.5. Preventive measures or any other action considered necessary shall also be taken by the competent authority.

**13.6 Penalties:** The following constitute Major Penalties:-

- (a) Dismissal from service which shall be a disqualification for future employment in any other bank;
- (b) Dismissal from service which shall not be a disqualification for future employment in any other bank;
- (c) Compulsory Retirement;
- (d) Reduction in Rank/post;
- (e) Stoppage of three increments for three years with cumulative effect.





## INDRAPRASTHA SEHKARI BANK LTD.

The following constitute Minor Penalties:-

- (a) Warning or Censure or
- (b) Entering of adverse remark in the service record of the employee ; or
- (c) Stoppage of upto 3 increments without cumulative effect

**14. Reporting:** The Designated Officer shall provide quarterly reports on the number of complaints received and the status of each of them to the Board through Audit Committee of the Board.

**15. Amendments & interpretation:** The Bank reserves its right to amend or modify this Whistle Blower Scheme in whole or in part, at any time, without assigning any reason whatsoever.

**(Chief Executive Officer)**

**This Policy was approved vide Board resolution No. \_\_\_\_\_ dated \_\_\_\_\_**

**(C.E.O.)**