

# JANATA SAHAKARI BANK LTD. PUNE

(Multistate Scheduled Bank)

## WHISTLE BLOWER POLICY

(Part B – Applicable to all related Entities other than Employees and Directors of the Bank)

### PREFACE

*A whistleblower is a person who exposes any misconduct that is happening or about to happen within an organization. Whistleblowing may be prescribed as an establishment of a vigil mechanism for all the Related Entities to report genuine concerns, and to provide adequate safeguards against victimization of persons who use such mechanism and to provide access to the Highest Authority in the hierarchy, as per this policy.*

*This policy has been revised to extend the scope of the existing policy up to the Related Entities, i.e. extend the scope of the existing policy up to Honorable members of the Bank, customers of the Bank, well-wishers of the Bank, public at large and / or any entity in any relationship, in any sense, related with the bank.*

*This policy has been uploaded on the Bank's website under the Whistle Blower Section and hard copy will be made available for reading at the Secretarial Department, on submission of written request only. This policy shall not be circulated without prior approval from the competent authority or the Hon. Directors of the Bank.*

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### I. POLICY OBJECTIVE-

- a. Our Bank is committed to adhere to the highest standards of ethical, moral, and legal conduct of business operations. To maintain these standards and to encourage any of our related entities i.e. Hon. Shareholders, stake holders, customers, well-wishers, or general public at large, and / or any other related entity of the bank, who may want to raise concerns about any suspected misconduct and want to come forward and express these concerns without fear of being exposed or punishment or unfair treatment, etc. A Vigil (Whistle Blower) mechanism provides a channel to all such entities, to report to the Bank management, their grievances, or concerns about unethical behavior, actual or suspected fraud or violation of the Policies, or Any act prejudicial to the interest of the Bank. The mechanism provides for adequate safeguards against

victimization of such entities and also provide access to the Highest Authority in the hierarchy, as per this policy.

- b. This neither releases the employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

## II. DEFINITIONS,

- a. Bank- Bank shall mean Janata Sahakari Bank Ltd., Pune.
- b. Audit Committee- The Audit Committee constituted by the Board of Directors of the Bank.
- c. Competent Authority-
  - i. The Chief Executive Officer of the Bank will invariably be the Competent authority for all the whistle blowing cases raised. This will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. (Level 1 of Hierarchy)
  - ii. The Chairman of the Hon. Board of Directors will be the Competent authority in case where Protected Disclosures is applicable against the Chief Executive Officer and any director/s of the Bank and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. (Level 2 of Hierarchy)
- d. i] Director- Every elected or non-elected member/s appointed as a part of Hon. Board of Director.
  - ii] Employee- Every person, who work with the Bank in any capacity and whose name appears on any pay-roll of the Bank.
  - lii] Related Entity- Related Entities, means Honorable, members of the Bank, customers of the Bank, well-wishers of the Bank, public at large and / or any entity in any relationship, in any sense, related with the bank.
- e. Improper Activity-

- i. By Employee / Directors of the Bank - Any activity which is not within their scope and is in violation of any law or the rules of applicable conduct
- ii. By Related entities of the Bank – Any act which does not align with the vision of the Bank and is in contravention of general banking rationale or is in violation of any law or rules in force.

Any activity by the Employees, Directors and/or Related Persons, which is detrimental to the Bank as a whole, is to be defined as Improper Activity. Improper activity will include the above but will not be limited to abuse of authority, breach of contract, manipulation of Bank data, pilferage of confidential / proprietary information, criminal offence, corruption, bribery, theft, conversion or misuse of the Bank's property, fraudulent claim, fraud or willful omission to perform the duty, or that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency and / or any other unethical biased favor or imprudent act.

Activities which have non nexus to the working of the Bank and are purely of personal nature are specifically excluded from the definition of Improper Activity.

- f. Investigators- The persons authorized, appointed, consulted, or approached by the Competent Authority in connection with conducting investigation into a protected disclosure and includes the Auditors of the Bank.
- g. Protected Disclosure- Any communication made in good faith that discloses or demonstrates information that may evidence unethical or "Improper Activity".
- h. Subject- An employee against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- i. Whistle Blower- Any Director and or employee, making a Protected Disclosure under this policy.
- j. Genuine Whistle Blowing- Whistle Blowing, in good faith, in due course, without prejudice, express clear identity of whistle blower, factual specification/s should

be in writing and in understandable language that conveys a clear meaning, with specific information for proper assessment of improper activity, documentary evidence should be attached where necessary, will be called as “Genuine Whistle Blowing”.

- k. Genuine Whistle Blower- A Whistle Blower who blows a Genuine Whistle Blowing, is called Genuine Whistle Blower.
- l. Accord Protection- It will be the sole responsibility of an applicable Competent Authority to provide every defense against any kind of unfair treatment/ victimization to the Genuine Whistle Blower under this policy will be called as “Accorded Protection”.
- m. Preliminary Review- Any Whistle Blowing or Protected Discloser will be primarily investigated by applicable competent authority to confirm the genuinity of the whistle blowing and whistle blower, is called Preliminary Review, under this policy. Period allotted for Preliminary Review will be not mere than seven (7) calendar days after the date on which protected discloser, actually acknowledged by applicable competent authority.

### III. Eligibility- (Part B – Applicable to all related Entities other than Employees and Directors of the Bank)

Any party falling under the definition of Related Entities of the Bank are eligible to make Protected Disclosures.

### IV. Guiding Principles-

- a. Protected disclosures are acted upon in a time bound manner by the competent authority.
- b. The Whistle Blower and / or the person(s) processing the Protected Disclosures are not subjected to victimization.
- c. The identity of the Whistle Blower should be kept confidential at all times. In cases where the whistle blower himself does not disclose their identity to the competent authority, such cases should not be entertained.

- d. Appropriate action including disciplinary action to be taken against any person trying to disclose the identity of the whistle blower identity or making attempts to conceal or destroy evidence.
- e. Subject of the Protected Disclosure i.e. person against or in relation to whom a protected disclosure has been made, is provided an opportunity of being heard.

**V. Whistle Blower – Role & Disqualifications-**

a. Role

- i. The Whistle Blower's role is that of a reporting party with reliable information.
- ii. The Whistle Blower is not required or expected to conduct any investigations on his own.
- iii. The Whistle Blower does not have any right to participate in investigations.
- iv. The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons on his written request.

b. Disqualifications-

- i. Genuine Whistle Blowers will be accorded protection from any kind of unfair treatment / victimization. However, any abuse of this protection will warrant disciplinary action against him.
- ii. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be motivated or malafide or malicious or frivolous, baseless, or reported otherwise than in good faith, will be liable for disciplinary action as per the applicable rules and laws in force.
- iii. Whistle Blowers, who make Protected Disclosures, which have been subsequently found to be malafide, frivolous, baseless, and malicious or reported otherwise than in good faith, on three occasions, will be

disqualified from further reporting of Protected Disclosure under this policy.

**VI. Procedures-Essentials and handling of Protected Disclosure-**

- a. The Protected Disclosure / Complaint should be attached to a letter bearing the identity of the whistle blower / complainant i.e. his/her Name, full address, at least one corresponding self-attested copy of KYC (OVD) document, mobile number, e-mail id, and should be submitted in a closed / secured / sealed envelope addressed to the Competent Authority which should be superscribed **“Whistle Blower Protected Disclosure”**. (If the envelope is not superscribed and closed / sealed / secured, it will not be possible to provide protection to the whistle blower as specified under this policy). The text of the complaint should be drafted carefully in such a way that the identity of the whistle blower is not disclosed.
- b. If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the whistle blower, he may escalate the protected disclosure to the higher authority.
- c. Anonymous or pseudonymous protected disclosure shall not be entertained. Regarding the anonymous or pseudonymous protected disclosure, it will be the sole and sovereign power of the applicable competent authority, whether it should be further entertained or not.
- d. Protected Disclosure should either be typed or written in legible handwriting in English or Hindi and should provide a clear understanding of the Improper Activity involved or issue / concern raised.
- e. Protected Disclosures should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to assist for a proper assessment of the nature and extent of the wrongdoing and have a fruitful investigation.

- f. In order to protect identity of the person, Competent Authority will not issue any acknowledgment and the whistle blowers are advised not to enter into any further correspondence. The disposition of his disclosure will be communicated accordingly.

**VII. Investigations and Role of Investigators-** On receipt of Protected Disclosure, the Competent Authority shall detach the covering letter and verify / confirm the authenticity of the Whistle Blower. On receipt of confirmation, the protected disclosure shall be forwarded to the investigators for investigation.

a. Investigation-

- i. Investigations will be launched only after a preliminary review by the Competent Authority which establishes that-
1. The alleged act constitutes an improper or unethical activity or conduct, and
  2. The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, but the matter is serious enough that it deserves an investigation.
- ii. If the Competent Authority determines that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.
- iii. If the Competent Authority is prima facie satisfied that the Protected Disclosure warrants investigation of the alleged improper activity, Competent Authority will direct appropriate investigating machinery of the Bank to investigate the matter. All the rights to appoint officers in investigating machinery and to determining their roles and duties will be of the Competent Authority.
- iv. The decision of investigation taken by the Competent Authority shall not to be construed as an accusation in any manner and is to be treated as a neutral fact- finding process.

- v. The identity of the Subject and the Whistle Blower will be kept confidential to the extent possible while reporting to applicable law enforcement agencies, given the legitimate needs of law and the investigation.
- vi. Subjects will normally be informed of the allegations at the outset of a formal investigation and will be given equal opportunities for providing their inputs during the investigation.
- vii. Subjects shall at all times co-operate with the Competent Authority or any of the Investigators during investigation process to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.
- viii. Subjects should not interfere with the investigators or the investigation process. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- ix. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is evidence, conclusive enough to support the allegation.
- x. Subjects have the right to be informed of the outcome of the investigation.
- xi. The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure, or such period as may be extended by the Competent Authority with reasons which will be recorded.

b. Role of Investigators-

- i. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority from Competent Authority when acting within the course and scope of their investigation.
- ii. The Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of professional standards.

**VIII. Protection-**

- a. The identity of the Whistle Blower shall be kept confidential.
- b. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- c. Complete protection will be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation, or like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.
- d. If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for the Whistle Blower to receive advice about the procedure. Expenses incurred by the Whistle Blower in connection with the above, towards travel etc. will be reimbursed by the Bank as per normal entitlements.
- e. A Whistle Blower may report any violation of the above clause to the Competent Authority who shall investigate into the same and take corrective action as required.
- f. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- g. Whistle Blower shall have direct access to the Competent Authority against victimization.

**IX. Action:**

- a. If the Competent Authority is of the opinion that, the investigation discloses the existence of improper activity which warrants disciplinary action against the subject employee(s) and or any other related entity/s, the Competent Authority shall report the matter to the concerned Disciplinary Authority and or Law Enforcement Agency/s, as applicable or deemed fit, for appropriate disciplinary action.
- b. The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure or to prevent the re-occurrence of such improper activity.
- c. If the Competent Authority is of opinion that the investigation discloses that no further action on the protected disclosure is warranted, he shall so record in writing. Recording should be incorporated in the Quarterly Report to be submitted to Audit Committee as mentioned in para 'a' of point no 'X' (Reporting & Review).
- d. If the Competent Authority is satisfied that the protected disclosure is false, motivated or vexatious, the Competent Authority may report the matter to the concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower with a copy to Chairman, Audit Committee for information.

**X. Reporting and Review-**

- a. The Competent Authority shall submit a quarterly report of the protected disclosures received, the investigation conducted, and the action taken report shall also be submitted to the Audit Committee of the Board of Directors of the Bank on annual basis.
- b. The Chairman of the Board of Directors and the Audit Committee of the Hon. Board shall have power to review any action or decision taken by the Chief Executive Officer when acting as the Competent Authority.

XI. **Retention of documents-** All Protected Disclosures in writing or documented alongwith the results of Investigation relating thereto shall be retained by the Bank for a period of five years from the date of the disposal of the protected disclosure. The same will be stored in confidential manner at Secretarial department.

XII. **Amendments and Review -**

- a. This policy can be modified or repealed at any time by the Board of Directors of the Bank. Any changes in this Policy Document will be the sovereign and absolute right of Board of Directors with the recommendations of the Audit Committee of The Board of Directors.
- b. Periodical Review of this policy should not be necessary, any competent authority OR Hon. Board of Directors may give instruction to conduct the review of this policy at any given suitable time.

XIII. **Other Points-**

- a. The competent authority will ascertain the identity of the complainant; if the complainant is anonymous, it shall not take any action in the matter. The identity of the complainant will not be revealed unless the complainant himself has made either the details of the complaint public or disclosed his identity to any other office or authority.
- b. While calling for further report/investigation, the competent authority shall not disclose the identity of the informant and also shall request the concerned head of the organization to keep the identity of the informant a secret, if for any reason the head comes to know the identity.
- c. The competent authority shall be authorized to call upon the CBI or the police authorities, as considered necessary, to render all assistance to complete the investigation pursuant to the complaint received.

- d. In case any person is aggrieved by any action on the ground that he is being victimized due to the fact that he had filed a complaint or disclosure, he may file an application before the competent authority seeking redress in the matter, wherein the competent authority may give suitable directions to the concerned person or the authority.
- e. If the competent authority is of the opinion that either the complainant or the witnesses need protection, it shall issue appropriate directions to the concerned government authorities.
- f. In case the competent authority finds the complaint to be motivated or vexatious, it shall be at liberty to take appropriate steps.
- g. The competent authority shall not entertain or inquire into any disclosure in respect of which an inquiry has been ordered by any law enforcement activity,
- h. In the event of the identity of the informant being disclosed in spite of the competent authority directions to the contrary, it is authorised to initiate appropriate action as per extant regulations against the person or agency making such disclosure.