

WHISTLE BLOWER POLICY

1. **PREAMBLE:** The Government of India, Ministry of Personnel, Public Grievances and Pensions, Department of Personnel and Training published in the Gazette on 21st April, 2004 the “Resolution” viz. GOI Resolution on the Public Interest Disclosure & Protection of Informers (PIDPI) and issued guidelines thereon authorizing the Central Vigilance Commission (CVC), as the Designated Agency to receive written complaints for disclosure on any allegation of corruption for misuse of office and recommend for appropriate action. In accordance with the aforesaid Resolution of the Government of India, the CVC has formulated norms for acceptance of complaints under the PIDPI Resolution and for keeping identity of the complainant secret. As a Public Sector Bank coming under the purview of PIDPI Resolution as modified vide OM No.371/4/2013 AVD-III dated 14.08.2013, 03.09.2013, Gazette Notification dated 29.08.2013 and OM NO.371/4/2013-AVD-III dated 16.06.2014, Bank is required to have an internal whistle blower mechanism for handling the grievances of employees, the norms thus laid down by the CVC and this Policy is intended to provide for the same.

Taking into consideration of the above, the Whistle Blower Policy is framed for the employees to report to the appropriate authority, any violation of systems & procedures, malpractices, abuse of powers, non-compliance of laid down system, wrongdoing, misconduct, irregularities and commitment of fraud etc. which comes to their knowledge. The Whistle Blower Policy of the Bank provides broad guidelines for reporting of such malpractices promptly so that it should not adversely affect the business and reputation of the Bank. To disseminate among the employee’s assuring confidentiality and protection to the whistle blower against any personal vindictive actions such as humiliation, harassment or any other form of unfair treatment.

2. **SOURCE:** The Public Sector Banks are governed by the provisions of Section 177 of the Companies Act, 2013, guidelines dated 17.04.2014 issued by Securities and Exchange Board of India (SEBI) regarding Clause 49 of Listing Agreement between the listed entity and the Stock Exchange; and guidelines / directions dtd. 01.07.2016 issued by Reserve Bank of India under Section 35 (A) of Banking Regulation Act, which specifically provide for a “Whistle Blower Mechanism” for the employees of the organizations, to report allegations of corruption or misuse of office by the authorities of the organization.
3. **OBJECTIVE:** The Bank is committed to adhere to the highest standard of Ethical, moral and legal conduct of business operation. To maintain these standards, the Bank encourages employees who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment. The main objective of this policy is to identify any violation of rules with the help of the employees and to take timely corrective action so as to protect the interest of the Bank at the earliest stage. The aim of the Policy is to bring transparency in the system and freedom to the employees to raise the concerns while maintaining the secrecy of the Whistle Blower.
4. **APPLICABILITY:** The policy is applicable to all employees of the Bank including Whole Time Directors & Directors on the Board.

5. **COVERAGE:** The illustrative list of incidences that can be reported is as under -
- i. Breach of Bank's policy prescriptions
 - ii. Acts of recklessness in decision making
 - iii. Demanding and /or accepting gratification
 - iv. Non permissible accounting matters and auditing matters
 - v. Gross negligence
 - vi. Act of financial malpractices
 - vii. Abuse of powers
 - viii. Any other act which affects the interest of the Bank adversely and has the potential to cause financial or reputational loss to the Bank / activity which is harmful to the Bank's image
 - ix. Acts of misappropriation, Cheating or other criminal offences
 - x. Indications of living beyond the means
 - xi. Corrupt practices
 - xii. Harassment
 - xiii. Blatant violation of laid down procedures
 - xiv. Frauds, bribery, or corruption
 - xv. Manipulation of data / documents
 - xvi. Any other unethical conduct

The above list is only indicative and not exhaustive.

6. **EXCLUSION:** Decisions taken by the committee established by the Bank & Policy decisions of the Bank shall be outside the purview of the policy.

7. **PROCESS:**

7.1 Reporting Mechanism:

7.1.1 Under the provisions of RBI's directions, the Whistle blower complaints are to be scrutinized by the committee for Fraud Monitoring Group (FMG) of the Bank. General Manager, Inspection & Audit is designated as authorized officer to receive the complaints under the Whistle Blower Policy from the employees and the Fraud Monitoring Group (FMG) shall scrutinize the same as per the Fraud Risk Management Policy and initiate appropriate actions in the matter as mentioned under Whistle blower policy.

7.1.2 Any employee, coming across such adverse events shall promptly report the same on noticing the said adverse activity.

7.1.3 Any employee can use the online or off-line mode to lodge the whistle blower complaint. The employees of the Bank may lodge whistle blower complaint through mail on bom_whistleblower@mahabank.co.in wherein only the authorized officer shall have the rights to view & act to the whistle blower complaint/s.

7.1.4 Alternatively, they may use the following off-line procedure:

- The complaint should be in a closed / secured envelope and shall be opened by authorized officer.
- The envelope should be addressed to General Manager, Inspection & Audit Dept., H.O., Pune, and should be super scribed "Complaint under

Whistle Blower Policy”. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter. If the envelope is not super scribed and not closed, it will not be possible for authorized officer to protect the identity of the complainant and the complaint will be dealt as per normal complaint handling policy.

Address:

General Manager,
Inspection & Audit Department,
Head Office,
Lokmangal, 1501,
Shivajinagar, Pune - 411005.

- No action should be taken on anonymous / pseudonymous complaints in line with guidelines of Central Vigilance Commission dated 25.11.2014 and such complaints should only be filed.
- The text of the complaint should be carefully drafted so as not to give any details or clue as to his/her identity. However, the details of the complaint should be specific and verifiable.
- Standard Operating Procedure for dealing with whistleblower complaints will be provided.

7.2 Mechanism for Action / Reporting on such Disclosures:

7.2.1 The General Manager, Inspection & Audit, on receipt of the complaints, shall act as per the guidelines of ACB. The authority shall arrange to verify the identity of the Whistle Blower and will initiate to investigate by a Head office committee known as Fraud Monitoring Group Committee (FMG) for a preliminary view, inputs & further course of action.

Composition of Committee: The composition of FMG group are as under;

- i. General Manager, (Inspection & Audit)
- ii. General Manger or Deputy General Manager (Credit Monitoring)
- iii. General Manager (IRM) / Chief Risk Officer
- iv. General Manager (IT)
- v. General Manager (HRM)
- vi. General Manager (FM&A)
- vii. Deputy General Manager / Assistant General Manager (Vigilance)

The Committee meetings would have a quorum of minimum of 3 members where the presence of General Manager (Inspection & Audit) is mandatory. The Committee would be headed by senior most General Manager present in the meeting and in absence of any General Manager due to leave, tour etc., alternate General Manager will be member of the committee.

- 7.2.2 The meeting of the committee will be convened within 30 days of reporting under whistle blower subject to proper evidence and credible information about the involvement.
- 7.2.3 Proper record will be kept of all disclosures received. The action against each disclosure will also be noted.
- 7.2.4 Any inquiry / investigation conducted against any subject shall not be construed by itself as an act of accusation and shall be carried out as neutral fact finding process, without presumption of any guilt.
- 7.2.5 The inquiry/ investigation shall be conducted in a fair manner and provide adequate opportunity for hearing to the affected party and a written report of the findings should be prepared for submission.
- 7.2.6 A time frame of maximum 30 days will be permitted to complete the investigation / enquiry. In case the same cannot be completed within stipulated period, interim report should be submitted by the Investigators giving inter alia, the tentative date of completion.
- 7.2.7 In case the complaint made does not have any specific & verifiable information, the General Manager, Inspection & Audit will be authorized not to take any action with due consultation with FMG committee. This would be suitably recorded.
- 7.2.8 Upon completion of investigation process, if it's revealed that either misuse of office or substantiates allegations of corruption, fraud, gross violations of system/policy leading to serious threat of financial / reputational loss to the Bank, the designated authority shall recommend appropriate action which shall inter-alia include following:
- Appropriate Disciplinary actions against staff member concerned
 - Recommend to appropriate authority / agency for initiation of criminal proceedings in suitable cases, if warranted by facts and circumstances of the case
 - Recommend to appropriate authority for taking corrective measures to prevent recurrence of such events in future
- 7.2.9 The action taken against the subject / employee as stated in the above paragraph will be in addition to any other action or prosecution, which may be initiated against said subject / employee under any statute or law in force.

7.3 Reporting Mechanism for Director / Escalation mechanism:

7.3.1 Designated Authority: All Directors on the Board may raise their concern within the Bank directly to the Chairman of the Audit Committee of the Board (ACB). Chairman of Audit Committee of the Board can also raise his/her concern against any other Director/s to Central Vigilance Commission (CVC).

7.3.2 Escalation Mechanism: Whistle Blower (Directors on the Board including WTDs) can escalate the concern / protected disclosures to the Chairman of ACB through a closed cover only, clearly super scribing on the top of

cover / envelope “complaints under Whistle Blower Policy” at the specified address. Chairman of Audit Committee of the Board can also raise his/her concern against any other Director/s to Central Vigilance Commission (CVC). Similarly, complaint against the Authorized Officer i.e. General Manager (Inspection & Audit) may be raised to the Chairman of the ACB and complaint against the Chairman of the ACB under Whistle Blower may be raised directly to CVC through sealed cover.

If the Whistle Blower is not satisfied with the response of the Competent Authority, he/she may take up the matter with the Chairman of the Audit Committee through written communication.

7.3.3 In case the designated authority is of the opinion that, the allegations made in the complaint are specific & verifiable, then in such case, he/she shall initiate investigation into the complaint. Similarly, for anonymous / pseudonymous complaints, the designated authority shall not take any action. Process of investigation & other procedures along with the timelines of the policy shall be same as mentioned above.

7.3.4 Address of the Chairman of the Audit Committee: The Chairman, Audit Committee of the Board, Board Secretariat, Head Office, Lokmangal, Pune, Maharashtra, 411005.

8 SPECIAL PROVISION: Any employee of the Bank who has definite and verifiable information about wrongdoing / unfair practices carried out in the Bank and wishes to make a protected disclosure can blow the whistle, directly to designated authority i.e. General Manager, Inspection & Audit. Senior Management / Directors on the Board may forward their concerns directly to the Chairman of the Audit Committee of the Board.

In case of any administrative exigencies arises due to allegation of corruption against / misuse of position by any FMG Committee members or related committees, Managing Director and CEO / in his absence Executive Director holding HR functions be empowered to nominate any alternate member in the committee.

9 PROTECTION OF INTEREST OF COMPLAINANT:

9.1 The Bank will protect the confidentiality of the Complaints and their names / identity will not be disclosed except as statutorily required under law.

9.2 In order to protect identity of the person, no acknowledgement shall be issued and the whistle blowers are advised not to enter into any further correspondence, in their own interest. It is to be ensured that, subject to the facts of the case being verifiable, the necessary action is taken.

9.3 While calling for further report/investigation, the FMG Committee shall not disclose identity of the informant and also shall request the concerned head of the department to keep the identity of the informant a secret, if for any reason the head comes to know the identity.

9.4 If any person is aggrieved by any action on the ground that he/she is being victimized due to the fact that he/she had filed a complaint, he/she may file an

application before the committee seeking redressal in the matter, whereupon suitable directions may be given to the concerned Department.

- 9.5 In the event of the identity of the informant being disclosed in spite of the directions to the contrary, the FMG Committee may advise the appropriate authority to initiate action as per extant regulations against the person making such disclosure.
- 9.6 Confidentiality is made as an important element of the Whistle Blower Policy and should be ensured at all level.

- 10 **DISQUALIFICATION FROM PROTECTION:** Any abuse of the scheme by way of a complaint made with malafide intention or which is false or bogus, will disqualify the complainant from the protection under the scheme. And he/she will be liable for suitable disciplinary action in such cases.

In pursuant to a complaint, if the investigation reveals the involvement of the Whistle Blower himself/herself in the act and/or irregularity, no protection including that of non-disclosure under this policy shall be available to the Whistle Blower under any circumstances and he/she shall be liable to be proceeded against as per norms, for his/her involvement in the act and/or irregularity.

The Policy doesn't protect an employee from an adverse action which occurs independent of his disclosure under this policy or for alleged wrongful conduct, poor job performance, any other disciplinary action etc., unrelated to a disclosure made pursuant to this policy.

- 11 **ROLES AND RESPONSIBILITIES:** The General Manager, Inspection & Audit shall inter-alia take the following actions with respect to the complaints received.

- 11.1 All the relevant papers / documents with respect to the matter raised in the complaint should be obtained by the General Manager, Inspection & Audit and investigation should be commenced immediately through FMG committee.
- 11.2 The Fraud Monitoring Group has to ensure that no punitive action is taken by any concerned administrative authority against any person on perceived reasons / suspicion of being "whistle blower".
- 11.3 Any other step the Fraud Monitoring Group committee may deem fit in the facts & circumstances of case with a view to ensure that-
- a. the matter is taken to the logical end
 - b. the Whistle blower is protected in any event
- 11.4 Concerned Disciplinary Authority has to undertake suitable disciplinary action based on such complaints.
- 11.5 Fraud Monitoring Group Committee (FMG) may refer the matter for further investigation to CBI/Police, if warranted by the facts and circumstances of the case.
- 11.6 In relation to whistle blower complaints and Senior Management escalations, on quarterly basis, authorized officer (General Manager, Inspection & Audit) will provide details of cases received, as well as complaints under investigation during the period to the Audit Committee of the Board (ACB) for necessary review of

progress of action taken. Details would include gist of the complaint, investigation status and action taken, but not the identity of whistle blower. All complaints received and status of investigation/actions thereto, will be reported to the subsequent quarterly Audit Committee meeting for review. A certificate will be provided quarterly by the authorized officer to the ACB explicitly mentioning number of complaints received and keeping the confidentiality of the complaints. The Audit Committee of the Board will review the status report submitted by authorized officer / FMG committee and place their observation / directions for taking corrective measures to prevent recurrence of such events in future.

- 12 **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. The designated officer i.e. General Manager, Inspection & Audit or concerned authority if any, shall take appropriate initiatives to encourage & recognize the whistle blowers.
- 13 **FALSE & MOTIVATED COMPLAINTS:** In case the complaint is found to be motivated or vexatious, the Fraud Monitoring Group committee shall be at liberty to direct the appropriate authority to take disciplinary action against the employee.
- 14 **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 disclosure. Employees are expected to exercise their rights under this policy in judicious manner by adhering to the following guidelines:
 - 14.1 Avoid anonymity when raising a concern as the identity shall be protected by the concerned Officials in the Bank
 - 14.2 Follow the procedures prescribed in the policy for making a disclosure
 - 14.3 Bring to early attention of the Bank any improper practice or wrong doings, he/she become aware of. As the delay in reporting may lead to loss of evidence and also financial loss for the organization.
 - 14.4 Cooperate with the investigating authorities and maintain full confidentiality.
- 15 **DISCLOSURE:** The details of the Whistle blower mechanism shall be disclosed on the website and the Board Annual Report.

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WORKFLOW CHART

WHISTLE BLOWER

She / He will submit complaint to authorized official at Head Office in Online or Offline mode, along with all supporting documents.



**AUTHORISED OFFICIAL or
DESIGNATED AUTHORITY**

The authorized officer shall, on receipt of the complaint shall act as per the guidelines of Audit Committee of the Board (ACB). Authorised officer shall arrange to verify the identity of the Whistle Blower. Only on being satisfied that the disclosure has genuine information, after verifying it from independent sources, the authorized officer (at present i.e. General Manager, Inspection & Audit) will initiate the investigation through FMG Committee.



**FRAUD MONITORING GROUP
COMMITTEE**

The FMG committee comprising of General Managers will initiate the investigation procedure and submit its report to the authorized officer within 30 days of receipt of the complaint and also issue necessary instructions to the disciplinary authority to initiate disciplinary proceedings or closure of the complaint if not genuine or not verifiable.



AUDIT COMMITTEE OF THE BOARD

The authorized officer / designated authority shall place details of complaint received in every quarter before Audit Committee of the Board, who will review the progress of action taken by the Committee.