

**THE BIHAR STATE CO-OPERATIVE BANK LTD.,
ASHOK RAJPATH, PATNA- 800 004**



Whistle Blower Policy

Approved by BoD item no.- 03 Date- 31-10-2023

WHISTLE BLOWER POLICY

BACKGROUND

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 dated 01.07.2016 issued by the Reserve Bank of India under section 35 (A) of Banking Regulation Act etc., as the case may be, which specifically provide for a "Whistle Blower Mechanism" for the employees of the organization, to report allegations of corruption or misuse of office by the authorities of that organization. From these Acts & Guidelines, it was observed that the bank should have a well-defined "Whistle Blower Policy" in place. Though the bank is having a proper complaint handling system in place, yet a scheme whereby the employees can raise allegations of corruption or misuse of office is to be framed / implemented. As such from the Corporate Governance point of view, formation of a 'Whistle Blower Policy' would be a good step.

PREAMBLE

As a socially responsible organization, the Bank believes in conducting its affairs in a fair & transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Bank is committed to develop a culture, where it is safe for all, who alarm concerns about any unacceptable/unethical practice or misconduct at any level.

As such, in case the complainant has reasonable grounds of having observed unethical and improper practices or any other wrongful conduct in any of the Departments/Offices of the Bank, he may lodge a complaint under this policy, which shall be known as "Whistle Blower Policy" in the Bank.

Under the provisions of Companies Act and SEBI's guidelines, the Whistle Blower Complaints are to be made to the Audit Committee, which includes direct access to the Chairman of the Audit Committee by the Whistle Blower. As per the provisions contained in the Companies Act 2013 & RBI directions dated 01.07.2016, the CVOs (Chief Vigilance Officers) are not authorized to receive complaints directly from the Whistle Blowers (Officers & Employees of the Bank).

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177

MODALITY OF OPERATION:

The complainant shall lodge the complaint to the Chairman, ACB (Audit Committee of the Board) in a closed / secured envelope marked as "Complaint under the Whistle Blower Policy" at the following address:

The Chairman,
ACB (Audit Committee of the Board)
The Bihar State Co-operative Bank Ltd .
Ashok Rajpath, Patna – 800004 .

The Chairman, ACB shall be authorized to deal with the complaints received under Whistle Blower Policy. Complainant shall be known as "Whistle Blower" and the policy shall be known as "Whistle Blower Policy" . The confidentiality of whistle blower shall generally be maintained.

PROCEDURE FOR LODGING COMPLAINT UNDER WHISTLE BLOWER POLICY:

Any complaint which is to be made under this policy should comply with the following aspects:-

- i. Anonymous / pseudonymous complaints / reports shall not be entertained under this scheme.
- ii. The complaint / report should be sent in a secured manner by way of closed envelope to The Chairman, ACB (Audit Committee of the Board).
- iii. The envelope should be addressed to the official as mentioned above and should be superscribed "Complaint under The Whistle Blower Policy". The complainant should only give his/her name and address either in the beginning of the text of the complaint or at the end of it.
- iv. If the complainant wants that his/her name should not be disclosed, 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.
- v. If the envelope is not superscribed and closed, it will not be possible for the Bank to cover the identity of the complainant, thus his protection under the above Policy. Such complaints will be dealt with as per the normal complaint policy of the Bank.

OTHER ASPECTS:

- i. In order to cover the identity of the complainant (whistle blower), the Bank will not issue any acknowledgement and the whistle-blower will also be advised that in case he/she intends to send reminder, he/she should follow the same procedure of correspondence as envisaged above.
- ii. This Whistle Blower Policy is available only to the Officers/Employees of the Bank and not to the general public.
- iii. Under the provisions of RBI's directions, the Whistle Blower complaints are to be scrutinized by the FMG (Fraud Monitoring Group) of the Bank. Since, our Bank doesn't have FMG in place, the scrutiny is to be done by Audit Department (AD). All complaints

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received under "Whistle Blower Policy" are to be scrutinized by the AD maintaining due confidentiality & the same are to be placed to ACB by Ad for decision.

- iv. No adverse action shall be taken or recommended against an employee/ officer (Whistle Blower) in retaliation to his lodging a complaint under this policy. However, he shall not be protected for his misconduct, which does not relate to the disclosure made as a whistle blower.
- v. An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action and will not be protected under the policy.

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Whistle Blower Policy

Approved by B.S.C.B. on 10/10/2022