

Whistle Blower Policy (Year-2022)

Contents

1. BACKGROUND	3
2. PREAMBLE	3
3. OBJECTIVE	3
4. COMPETENT AUTHORITY	4
5. PUBLIC INTEREST DISCLOURE.....	4
6. SCOPE	4
7. WHISTLE BLOWER'S ROLE	5
8. INQUIRY IN RELATION TO DISCLOSURE BY WHISTLE BLOWER.....	6
9. WHISTLE BLOWER'S PROTECTION	7
10. PROCEDURE FOR REPORTNG	7
11. MODALITY OF OPERATION AT THE BANK LEVEL	7
12. OTHER ASPECTS	8
13. FREQUENCY OF REVIEW	9

1. BACKGROUND

1.1 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.

2. PREAMBLE

2.1 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 behaviour. 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.

2.2 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.

2.3 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).

3. OBJECTIVE

3.1 This Policy aims to establish a mechanism to receive protected disclosure relating to any allegation of corruption or wilful misuse of power or wilful misuse of discretion against any employee of the bank and to inquire or cause an inquiry into such disclosure and to provide adequate safeguards against victimization of the person making such protected disclosure and for matters connected therewith and incidental thereto.

4. COMPETENT AUTHORITY

4.1 The Chairman of Audit Committee of Board will be the Competent Authority to deal with the protected disclosure received under provisions of this Policy.

5. PUBLIC INTEREST DISCLOSURE

5.1 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 behaviour. The Bank is committed to develop a culture, where it is safe for all, who alarms concerns about any unacceptable/unethical practice or misconduct at any level.

5.2 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 /Branches of the Bank, he may make a disclosure under this policy.

5.3 Every disclosure made as per the provisions of this Policy shall be treated as public interest disclosure before the Competent Authority.

5.4 Every disclosure shall be made in good faith and the person making protected disclosure shall make a personal declaration stating that he/she reasonably believes that the information disclosed by him/her and allegation contained therein is substantially true.

5.5 Whistle Blower shall also declare that he has not made any complaint on the same subject matter to any outside Authority / Agency or higher executives of the bank, prior to this disclosure.

5.6 Every protected disclosure shall be made in writing in accordance with the prescribed procedure as per Para 11 of this policy, containing full particulars and be accompanied by supporting documents, or other materials, if any.

5.7 The Competent Authority may, if it deems fit, call for further information or particulars from the person making the disclosure.

5.8 No action shall be taken on public interest disclosure by the Competent Authority, if the disclosure does not indicate the identity of the complainant or the identity of the complainant is found incorrect.

6. SCOPE

6.1 All stakeholders are encouraged as a preventive vigilance measure to report incidences of financial misconduct, wherever noticed.

6.2 The policy intends to help all stakeholders who may have concerns over any wrongdoing within the Bank to report unlawful conduct, misconduct, malpractices, violation of any legal or regulatory provisions, financial mismanagement, accounting irregularities etc.

6.3 Though an exhaustive list of activities that constitute such misconduct/ malpractice / violations cannot be enumerated, it is expected that the following acts may be reported under this Policy:

- i. Criminal offence (e.g. frauds, corruption or theft) committed / likely to be committed.
- ii. Failure to comply with legal / regulatory provision
- iii. KYC/AML violations to provide some undue advantage to anyone.
- iv. Breach of client promises by the Bank
- v. Bank funds used in an unauthorised manner
- vi. Sexual or physical abuse of a member of staff, service recipient or service provider.
- vii. Any other form of improper action or conduct
- viii. Information relating to any of the above deliberately concealed or attempts being made to conceal the same
- ix. Fraudulent activity in an account.

6.4 Whistle Blower can make a disclosure against any employee / officer of the bank upto level of General Manager.*

*As regard disclosure against any Director, Executive Director, Managing Director etc. it can be lodged under Govt. of India, Public Interest Disclosure and Protection of Informers (PIDPI) regulations to designated authority like Central Vigilance Commission (CVC) or Secretary, DFS.

7. WHISTLE BLOWER'S ROLE

The Whistle Blower's role is that of a reporting party with reliable information. He/she is not required or expected to act as investigator or fact finder, nor would he/she determine that appropriate corrective or remedial action that may be warranted in a given case.

8. INQUIRY IN RELATION TO DISCLOSURE BY WHISTLE BLOWER

8.1 The Competent Authority shall, upon receipt of the protected disclosure while concealing the identity of the complainant, shall make discreet inquiry within maximum period of 45 days, to ascertain whether there is any basis for proceeding further to investigate the disclosure.

8.2 The Competent Authority may close the matter, if after conducting an inquiry, is of the opinion that:

8.2.1 The facts and allegation contained in the disclosure are frivolous or vexatious : or

8.2.2 There are no sufficient grounds for proceeding with the inquiry

8.3 Any disclosure relating to Fraud and subject matters having vigilance implications will be brought to the notice of the CVO for further action.

8.4 After conducting the investigation, if Competent Authority is of the opinion that report reveals either wilful misuse of discretion or substantiates allegation of corruption, it shall take following steps

8.4.1 Recommend to appropriate authority for initiation of disciplinary proceeding or administrative action against the erring official(s) as per bank guidelines.

8.4.2 Recommend for taking of corrective measure.

8.5 The Competent Authority, on the merits of the case may or may not decide to go for personal hearing before closure of the matter.

8.6 Following matters shall not be entertained or inquired into by the Competent Authority to the extent:

8.6.1 If any matter specified or an issue raised in a disclosure has been determined by a Court or Tribunal authorized to determine the issue, after consideration of the matter specified or issue raised in the disclosure, the Competent Authority shall not take notice of the disclosure to the extent that the disclosure seeks to reopen such issue.

8.6.2 If any public inquiry has already been ordered under the Public Servants Act or referred for inquiry under the Commission of Inquiry Act.

8.6.3 If the protected disclosure is made after the expiry of seven years from the date on which the action complained against is alleged to have taken place.

8.7 The Competent Authority shall not question any bonafide action or discretion used by the official as per business rules.

9. WHISTLE BLOWER'S PROTECTION

9.1 If one raises a concern under this policy, he/ she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes decimation, reprisal, harassment or vengeance in any manner. The bank will not tolerate the harassment or victimization of any one raising a genuine concern.

9.2 The protection is available provided that:

- i. The communication / disclosure is made in good faith
- ii. He / she reasonably believe that information, and any allegation contained in it, is substantially true.
- iii. He / she is not acting for personal gain.

9.3 Bank will not disclose the identity, without his / her consent. If the situation arises where Bank is not able to resolve the concern without revealing the identity (for instance because his/ her evidence is needed in court), bank will discuss with his/ her the matter in which bank propose to proceed, and within the confines of statutory requirements endeavor to meet his/ her preference on revealing the identity.

10. PROCEDURE FOR REPORTING

Any disclosure which is to be made under provisions of Whistle Blower Policy should comply with the following aspects: -

1. Anonymous / pseudonymous complaints / reports shall not be entertained under this scheme.
2. The complaint / report should be sent in a secured manner by way of closed envelope to The Chairman, ACB (Audit Committee of the Board).
3. The envelope should be addressed to the official as mentioned below (refer Modality of Operation)) and should be superscribed "**Disclosure under the provisions of 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.
4. 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.
5. 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.

11. MODALITY OF OPERATION AT THE BANK LEVEL

11.1 The employees/ stakeholders of the Bank may make a written complaint to the competent authority.

11.2 The complainant shall lodge the complaint to the Chairman, ACB (Audit Committee of the Board) in a closed / secured envelope marked as “**Disclosure under the provisions of Whistle Blower Policy**”. at the following address:

The Chairman,
ACB (Audit Committee of the Board)
National Housing Bank
Core 5-A, 5th Floor,
India Habitat Centre, Lodhi Road
New Delhi-110003

11.3 Whistle Blowers are advised to preferably use this mode as it will help in concealment of identity of whistle blower.

11.4 All the disclosure received under this Policy will be opened in the presence of Chairman of the Audit Committee of Board, by an authorized official of MD & Board Secretariat, designated in this regard by Chairman, ACB. Once, the Chairman, ACB decides that this disclosure can be considered under the Whistle Blower Policy, the authorized official will enter it in a Corporate Register containing brief particular of the disclosure received under this Policy. He / she shall assign a Unique Reference Number (URN) to each disclosure. All inter-office correspondence in respect of disclosures received under Whistle Blower Policy will be done citing only Unique Reference Number (URN) and not the name of Whistle Blower.

12. OTHER ASPECTS

12.1 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.

12.2 This internal Whistle Blower Mechanism is available only to the Officers/Employees of the Bank and not to the general public.

12.3 Under the provisions of RBI' s directions, the Whistle Blower complaints are to be scrutinized by the FMG (Fraud Monitoring Group) of the Bank. Accordingly, all complaints received under "Whistle Blower Policy" are to be scrutinized by the Fraud Management and Examination Committee (FMEC) maintaining due confidentiality & the same are to be placed to ACB by Audit Department for decision.

12.4 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.

- 12.5 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.
- 12.6 Whistle blower should refrain from sending reminder or seeking further development/ action taken regarding disclosure made by him so as to protect his/her identity.
- 12.7 All reports received in writing or documented, along with the result of investigation relating thereto, shall be retained by the Bank for period of seven years from the date of closure.
- 12.8 The matters related to Appointments, Postings & Transfers etc. will not be normally entertained under Whistle Blower Policy. For these types of matters, complainant may use any other mechanism.

13. FREQUENCY OF REVIEW

- 13.1 The policy will be reviewed on annual basis.
