

26TH December 2017

WHISTLE BLOWER POLICY

മനസ്സിലാക്കേണ്ടതാണെന്നും ഇതനുസരിച്ചു കമ്പനിയുടെ നിയമങ്ങൾക്ക് വിരുദ്ധമായോ താല്പര്യങ്ങൾക്ക് ഹാനികരമായോ എന്ന് കാര്യങ്ങൾ അറിവിൽപ്പെട്ടാലും ഹെഡ് ഓഫീസിൽ ബന്ധപ്പെട്ട അധികാരികളെ അറിയിക്കേണ്ടതാണെന്നും പ്രത്യേകം ഓർമ്മപ്പെടുത്തുന്നു.

മാനേജിംഗ് ഡയറക്ടർ

WHISTLE BLOWER POLICY

1. Preamble:

Our Company is functioning in the Financial Services Segment. We are dealing with public money; in fact we are custodians/trustees of Public Money. The Company and all its employees are duty bound to ensure the Safety of Customer's Money. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company has adopted various policies and processes with an intent that the affairs of the Company are run on a sound financial footing, minimizing irregularities and frauds. Code of Conduct has been framed for employees laying down the principles and standards that should govern the actions of the employees for proper conduct and to enforce discipline while executing transactions. Lapses, willful or otherwise will lead to losses, thereby adversely affecting the very existence of the institution. Also, such lapses will damage the reputation of the Institution and weaken the morale and confidence of the employees, undermining the very trust deposited by the public.

Disclosure of Information in public interest by the employees of the Organizations is gaining acceptance for ensuring better Corporate Governance Standards and probity / transparency in the conduct of the affairs of the Company. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual or potential violation of the Code of Conduct or of the rules and regulations of Business, howsoever insignificant or perceived as such, should be a matter of serious concern for the Company. ***It is expected that honest, sincere and responsible employees bring such violations to the notice of the Company immediately. When an employee discloses such information to the company, necessary protection shall be provided to such employee; So such disclosures are generally held as Protected Disclosures***

It is with this intention that the Company introduces this '**Whistle Blower Policy**' ***for employees to report to the management instances of corruption, misuse of Office, unethical behaviour, actual or suspected fraud or violation of the code of conduct, failure to comply with existing rules and regulations resulting in financial loss / operational risk, loss of reputation etc, detrimental to Depositors' / Public Interest.***

2. Definitions

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the

Company in accordance with Section 292A of the Companies Act 1956 / Section 177 of the Companies Act 2013

- b. "Employee" means every employee of the Company, including the Directors in the employment of the Company
- c. "Protected Disclosure" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature
- d. "Code" means the Code of Conduct for All Personnel adopted by KPB Nidhi Limited
- e. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation
- f. "Whistle Blower" means an Employee making a Protected Disclosure under this Policy
- g. "Company" means "KPB Nidhi Limited"

3. Scope:

Any Employee of the Company is bound to inform Head office if he comes across any breach of rules regulations, fraud or forgery at any office by any of the fellow employees or customers.

This Policy intends to cover serious concerns arising from some information about acts that could have grave impact on the operations and performance of the business of the Company.

- a. A whistleblower is anyone who has insider knowledge of illegal/unethical activities occurring in an organization and makes disclosure of such information to authorized/specified officials of that organization.
- b. Any Employee (Contract/Permanent) can be Whistleblower who somehow becomes aware of such illegal/unethical activities taking place in a business either through witnessing the behavior or being told about it.
- c. In certain extreme cases, they would have been made a party to such questionable act, through coercion, compulsion, threat etc of colleagues or supervisors.
- d. The Whistle Blower's role is that of a reporting party with reliable information.
- e. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- f. Whistle Blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.
- g. Examples of incidents, which need to be reported, include the following:
 - Misappropriation of funds

- Fraudulent accounting of transactions
- Unauthorized use of money or funds
- A criminal offence or an unlawful act
- Breach of Company's Code of Conduct
- Breach of business integrity & ethics
- Failure to comply with any legal obligation
- Fraud and financial irregularities
- Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
- Abuse of position for any unauthorized use or for personal gain • Example: Favoring a related party for a contract
- Deliberate non compliance with a policy, an official code of practice or any law or regulation Acceptance or giving kickbacks/bribes
- Potential infractions of audit (or other applicable) regulations
- Potential infractions of the codes of conduct of all relevant professional institutions
- Deliberate improper business conduct
- Insider trading
- Theft or embezzlement

This policy shall come into force from immediate effect and shall be applicable to all the employees of the company.

4. Eligibility:

All the employees and Directors of the Company are eligible to make Protected Disclosures under the policy in relation to the matters concerning the Company.

5. Procedure:

- a. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting. Normally anonymous complaints (orally / written) will not be entertained. Complaints lodged orally disclosing the identity of the employee shall also be accepted. The disclosure can also be sent through email, SMS or social media provided identity of the whistle blower can be ascertained.

- b. The 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.
- c. 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 allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- d. The Disclosure can be made to (i) Chairman of Audit Committee **OR** (ii) Managing Director **OR** (iii) Chief Inspector of Branches
- e. The recipient of the Disclosure shall immediately remove the name and identity of the whistle blower and shall proceed as here-in-below prescribed.
- f. Chief Inspector of Branches ,if receives the information, shall immediately conduct preliminary investigation under guidance of Managing Director and submit the report to Chairman, Audit Committee through Managing Director.
- g. If Managing Director receives the information, he shall either directly conduct the investigation or shall get the investigation done through Chief Inspector of branches or other officer, he feels proper and fit. The Report shall be submitted to the Chairman, Audit Committee
- h. If Chairman, Audit Committee receives the information, he shall either directly conduct the investigation or shall get the investigation done through Managing Director, if the information is not pertaining to Managing Director.
- i. In all the above cases, the preliminary investigation report shall be placed before the Audit Committee, which shall decide about future course of action

6. Protection:

- a. **No unfair treatment will be meted out to a whistle blower for making a protected disclosure under this policy. The Company shall not cause any kind of discrimination, harassment, victimization or any other unfair employment practice against the whistle blowers. If the whistle blower is required to give evidence in criminal or disciplinary proceedings, the Company shall arrange for the Whistle Blower to receive advice about the procedure etc.**
- b. **The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.**

7. Disqualification:

- a. Any abuse of the protection granted under this policy for furthering one's interest or for wrecking vengeance shall be dealt with seriously
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a malafide intention.

8. Retention of Documents:

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a minimum period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

9. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is informed to the Employees by means of Circulars/Letters.