



# **Utkarsh Small Finance Bank**

## **WHISTLE BLOWER POLICY (Version 9.0, December 2024)**

## **1- Background**

The Bank aims for the highest level of Corporate Governance and is committed to ensure ethics, integrity, accountability and transparency. In order that these are maintained on an on-going basis and to provide safeguards to various stakeholders that would include shareholders, depositors and employees, the Bank has formulated a “Whistleblower Policy” that is explained in the ensuing paragraphs.

This policy has been formulated in compliance with the Companies Act, 2013, as amended and related rules, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) as amended and RBI Guidelines No: RBI/2006-2007/328 DO DBS. FrMC.NoBC.5/23.02.011/2006-07 dated April 18, 2007 on introduction of ‘Protected Disclosures Scheme for Private Sector and Foreign Banks’.

## **2- Objectives**

- I. This policy establishes a mechanism to receive complaints relating to disclosure on any allegation of corruption or willful misuse of power or willful misuse of discretion against any Bank employee and to inquire or cause an inquiry into such disclosure and to provide adequate safeguards against victimization of the person making such complaint and for matters connected therewith and incidental thereto.
- II. This Policy provides employees a platform for reporting their concern without fear of retribution or vengeful action from the persons against whom the complaint was submitted. Any report of wrongdoing in an anonymous manner would also be considered as a complaint.
- III. This policy provides employees, depositors, borrowers, various other stakeholders etc. an avenue to raise concerns of corruption, misuse of office, criminal offences, behavioral issues, suspected/actual fraud, failure to comply with existing Rules and Regulations such as the Banking Regulation Act 1949 and other applicable laws, and actions resulting in financial loss, operational risks, loss of reputation etc. detrimental to the depositors’/ Bank’s/ stakeholders’/public’s interests.
- IV. The purpose of the policy is to promote responsible and secure whistle blowing by protecting the whistle blower against any illegal harassment or victimization, and to discourage fake or false complaints with ulterior motives or out of personal reasons with an object to malign the integrity or image of any innocent employee.

## **3- Applicability**

The policy applies to all the employees of the Bank. The policy shall also apply to complaints made by directors, other stakeholders of the Bank, customers, Non-Governmental Organizations (NGOs) and members of public.

#### **4- Definitions**

- I. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Bank in accordance with the guidelines of the RBI and the Companies Act, 2013, as amended and related rules.
- II. "Bank" means Utkarsh Small Finance Bank Limited.
- III. "Board" means the Board of Directors of the Bank.
- IV. "Code of Conduct" shall mean the Code of Conduct Policy of the Bank, as may be amended from time to time.
- V. "Chief of Internal Vigilance" means the designated officer appointed in accordance with the RBI guidelines on Internal Vigilance in Private sector and Foreign Banks dated May 26, 2011.
- VI. "Designated Authority" refers to the Whistleblower Committee or the Chairperson of the Audit Committee of the Board.
- VII. "Employee" means and includes any employee, personnel, consultant, retainer, contractor, agency staff, etc. of the Bank on a full-time, part-time or contractual basis
- VIII. "Protected Disclosure" means any communication by a Whistleblower, made in good faith that discloses or demonstrates information that may evidence unethical or improper activity with respect to the Bank (as described more particularly in Clause 5). 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 a proper assessment on the nature and extent of the concern and the urgency of an investigation.
- IX. "Subject" refers to an employee against or in relation to whom a Protected Disclosure has been made and shall also include any person who becomes subject of such investigation based on evidence gathered during the course of an investigation under this Policy.
- X. "Whistleblower" refers to an Employee, Director, Third-Party Stakeholder, or any other person who, makes a Protected Disclosure of any actual or suspected occurrence (s) of illegal, unethical or inappropriate action(s), wrongdoing(s), behaviour(s), or practice(s) by a Subject in relation to the business, operations, or affairs of the Bank, in the form and manner as provided in this Policy.
- XI. "Whistleblower Committee" shall refer to the committee constituted under Clause 9 of this policy.

## **5- Scope and Coverage of the Whistle Blower Policy**

The Policy is applicable to Protected Disclosures with respect to actual or suspected occurrence(s) of illegal, unethical, or inappropriate action(s), behavior(s) or practice(s) committed by any Subject including the following (this list is given below is only an indicative list and not exhaustive in nature):

- a) Violation of Code of Conduct for employees.
- b) Misuse of office and authority.
- c) Violation of laid down rules and regulations or communicated procedures of the Bank (relating to accounting, internal control, operational guidelines, policies etc.).
- d) Any fraud in preparation of financial statements of the Bank.
- e) Failure to comply with legal, compliance and regulatory requirements.
- f) Misappropriation of funds.
- g) Actual or suspected fraud or irregularities including forgery or alteration of documents.
- h) Any unlawful act, whether criminal or civil, or other offences committed or likely to be committed that may implicate the Bank or otherwise adversely affect its reputation.
- i) Discrimination against a member of staff, service recipient or service provider on grounds of sex, caste, religion or disability.
- j) Illegal activities, corruption and deception.
- k) Malpractices/negligence/events causing danger to public health and safety.
- l) Cases of conflict of interest – e.g. sanction of loans, investment decisions, and purchase of goods and hiring of services where an employee may have an interest. (direct or indirect)
- m) Data breach and / or unauthorized disclosure of Bank's proprietary data including customer data.
- n) Violation of central or state laws, rules, regulations, and/or any other regulatory/judicial directives.
- o) Any other form of inappropriate/unethical/unlawful action or conduct (conduct may be considered unethical if it undermines universal core ethical values such as integrity and honesty).

### **Exclusions:**

The following types of complaints are excluded from the scope of this Policy:

- a) Repetitive complaints which are largely unsubstantiated and/or without any value addition.
- b) Complaints which are vague or incoherent
- c) Complaints which are personal and are not related to the business, operations, or affairs of the Bank.
- d) Complaints of sexual harassment received by the Whistleblower Committee will be referred to the "Internal Complaints Committee" set up for this purpose on the basis of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013", passed by the Government of India in December 2013.
- e) Complaints which have been made by an Employee and/or a Third-Party Stakeholder and/or any other person only to Banking Ombudsman/ PNO/Regulatory desk of the Bank, MD escalation desk of the Bank, CNO team, other forums of the Bank (and such complaint has been made to the Banks' Whistleblower forum/ Committee(s) by the complainant as not a protected disclosure or in the capacity of a whistleblower). Complaints made to such other departments/forums may be referred to the applicable investigations department directly by the departments/channels receiving the complaint and the complaint would be dealt with as per the extant/existing process.

### **6- Role, Rights and Responsibilities of the Whistleblower**

- I. A Whistleblower is a person who makes a Protected Disclosure, without acting as an investigator and cannot, therefore, require or instruct the investigation to be conducted as per the Whistleblower's own will, nor does he/she have a right to participate in any investigative activity other than to the extent that his/her cooperation is sought by the investigation officer(s).
- II. On observing/detecting a wrong-doing or misdemeanor, the Whistleblower will only report and not determine corrective or remedial action that may be warranted, under the circumstances.
- III. The Whistleblower should provide specific and verifiable details in the Protected Disclosure in an appropriate language that is not offensive.
- IV. In order to support their disclosure, the Whistleblower should provide sufficient evidence to establish a prima facie case for investigation.

### **7.1- Protection Available to The Whistleblower**

- I. The identity of the Whistleblower (in case revealed by the Whistleblower) shall be kept confidential and will not be revealed unless required in terms of an order of a court of law, or unless agreed to by the Whistleblower.
- II. Complete protection will be given to the Whistleblower against any kind of discrimination, harassment, victimization, retaliation, retribution, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion or refusal of promotion, etc. consequent upon his/ her having reported a Protected Disclosure against any other unfair practice, including any direct or indirect use of authority adopted to obstruct the Whistleblower from making further Protected Disclosure. Such protection will be provided only if the Whistleblower has reasonable information or documents in support of Protected Disclosure and that such Protected Disclosure has made in good faith and not for personal gain or animosity against the Subject.
- III. The Bank will take steps to minimize difficulties that a Whistleblower may face in the submission of a Protected Disclosure. For instance, he will be reimbursed expenses incurred in travel, boarding and lodging for tendering evidence, if warranted.
- IV. In case any action has been initiated against the Whistleblower (for acts of omission or commission attributed to him) the disciplinary authority in such cases would be one level higher than the disciplinary authority in the normal course of action.
- V. Any employee who assists in investigating a Protected Disclosure will also be protected to the same extent as the Whistleblower.
- VI. In case the protection to the Whistleblower as well as Employees assisting in the investigation (as outlined above) is violated in any manner, the same may be reported to the Designated Authority.
- VII. Suitable disciplinary action (including termination of service) as per the Employee Action Matrix policy may be taken against the subject in case s/he is found guilty of misconduct against the Whistleblower, in retaliation to a complaint submitted

### **7.2 - The protections available under this Policy will not be extended to the following circumstances:**

- I. A Whistleblower will not get protection under the Policy if s/he is herself / himself found guilty of misconduct. In other words, while the Whistle Blower Committee will take cognizance of the Protected Disclosure, the employee's misconduct will be dealt with separately.
- II. If the Whistleblower has raised a complaint/protected disclosure to a forum other than the Committee(s) and has revealed his/her identity.

- III. If the protection is sought from organizational actions arising out of false or bogus disclosure made with mala fide intention or complaints made to settle personal grievance.

#### **8- Protected Disclosures received from Anonymous Whistleblower(s)**

The Bank encourages Whistleblower(s) to disclose their identity while making the Protected Disclosure under the Policy. However, if the Whistleblower wishes to keep the identity anonymous, such Protected Disclosure may be investigated by the Bank only if the Committee is satisfied that such anonymous Protected Disclosure contains specific and verifiable information along with evidence (to the extent available with the Whistleblower) to establish a prima facie case for investigation. However, it is clarified that until the Committee is satisfied that such anonymous Protected Disclosure contains specific and verifiable information, the Bank/ Committee is not bound to take any specific steps/actions or conduct investigation(s) in relation to such Protected Disclosure. Neither the Bank nor the Committee(s) bear any liability or responsibility in this regard. If in the opinion of the Bank, the information provided by the anonymous Whistleblower is insufficient, the Bank will attempt to reach out to the anonymous Whistleblower (TAT for the same is 21 days with 3 reminders mails to complainant) to obtain additional information to enable the conduct of an investigation. Where such Protected Disclosures are not investigated due to a lack of specific and verifiable information, these shall, in any event, be kept on file and in the records. If at any subsequent stage the Whistleblower comes forward with identifying the Whistleblower or provides sufficient proof to the satisfaction of the Committee, the Bank shall consider the same afresh. With respect to anonymous Protected Disclosures, the Bank (including the investigating departments and the Whistleblower/ Disciplinary departments) may request the Whistleblower to disclose his/her identity, if allegations in the Protected Disclosure are of a personal nature and the identity is required for the purposes of conducting the investigation into such allegations. For example, Bank may request the Whistleblower to disclose his/her identity, including if the allegations related to the following:

- a) PMS rating of the Whistleblower;
- b) discrimination or other behavioural harassment suffered by the Whistleblower;
- c) unethical/illegal/wrongful transactions where the Whistleblower may also be involved / is a party to the transaction and such details are required for the investigation.

#### **9- Composition of The Whistle Blower Committee**

The Whistle Blower Committee presently comprises of the following members:

- I. Chief Compliance Officer
- II. Head –Internal Audit
- III. Chief Risk Officer
- IV. Chief Human Resource Officer
- V. Chief of Internal Vigilance

Chief Compliance Officer would be the Chairman of the Whistleblower Committee and Compliance department would be the convener of the committee meeting. All positions are ex - officio and in case of resignations, the new incumbent would become member of the Committee.

The quorum of the committee is 4 and the frequency of the meeting is at least quarterly.

The Chairman would however, be selected by the Managing Director and Chief Executive Officer (MD & CEO) in case if all are new incumbents.

Chief of Internal Vigilance shall perform such functions and duties as mentioned in the Reserve Bank of India, Guidelines on Internal Vigilance in Private sector and Foreign Banks dated May 26, 2011.

#### **10- Role of The Whistle Blower Committee**

- I. The Committee will consider the credibility of the complaint submitted through the Protected Disclosure, the gravity of the issue raised and the likelihood of proving the allegation(s) from independent, verifiable sources.
- II. The Committee would have the discretion to appoint any official(s) in the Bank (considered suitable for the purpose) to carry out any investigation as may be felt necessary to validate the complaint(s) received by it. Investigation of Whistleblower complaint will commence immediately on determination of the eligibility of the complaint under reference to be considered as Whistleblower complaint. Such investigation shall be completed within 01 month of commencement.
- III. The Committee may decide on carrying out fresh/ further investigation(s) within a reasonable time up to a maximum of 01 month or expand the scope upon the receipt of the report of the official undertaking the initial investigation(s).
- IV. Final closure of the complaints received under the Whistle Blower policy will be determined by the Whistle Blower Committee within 90 days from the date of receipt of the complaint.

#### **11- Procedure for Reporting Protected Disclosures**

- I. All Protected Disclosures reported against officials should be addressed to the Whistleblower Committee which may be reported through the following channels:
  - Email ID: [whistleblower@utkarsh.bank](mailto:whistleblower@utkarsh.bank) or Phone No: (022) 40377686
  - Email to any of the members of the Committee; or



- Sent to the Bank in a closed and secured envelope and super scribed as “Protected Disclosure under the Whistle Blower policy” at  
Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua,  
Varanasi, Uttar Pradesh, PIN – 221105

or at,

21<sup>st</sup> Floor, Rupa Sapphire, Plot No.12, Sector 18, Opposite Sanpada Railway Station, Sion - Panvel Expressway, Vashi, Navi Mumbai - 400 705

addressing the same to Chief Compliance Officer of the Bank. If the envelope is not super-scribed and closed as mentioned above, it may not be possible to consider protection for the Whistle Blower and the Protected Disclosure may be dealt with, as if a normal disclosure. Protected Disclosures against any member of the Whistleblower Committee would be perused by MD & CEO and the Chairperson of Whistle Blower Committee, who would decide the action to be taken against the Employee, and such report would be placed to the Audit Committee with the proposed action.

- II. Protected Disclosure against the MD & CEO and Chairperson of Whistle Blower Committee may be directly submitted to the Chairperson of the Audit Committee. The Chairperson of the Audit Committee can involve any employee above the grade of Vice President for investigation or appoint a legal firm to investigate the case. Such report would be directly submitted to Chairperson of the Audit Committee for action.
- III. Protected disclosures should preferably be reported in writing in order to ensure a precise understanding of the issues raised and can be in English, Hindi or any regional language.
- IV. In case the Whistleblower has a personal interest in the matter, it should be disclosed at the outset in the forwarding letter/email message.
- V. The covering letter/email message should prominently indicate that the Protected Disclosure/complaint is being made under the “Whistleblower Policy” and marked Confidential.
- VI. The Committee Member shall detach the covering letter/email message and forward only the Protected Disclosure to the investigators for investigation.
- VII. In order that the confidentiality of the Whistleblower (in case of an employee who has revealed his/her identity) is maintained, an acknowledgement of receipt of the Protected Disclosure/complaint will be sent to the Whistleblower only through email.
- VIII. In line with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, employees can also report instances of leak of unpublished price sensitive information.

- IX. Anonymous /pseudonymous complaints do not automatically constitute Protected Disclosures and the makers thereof are not entitled to the benefit of this Policy. However, such complaints may be investigated only to the extent so determined by the Whistle Blower Committee, at its sole discretion. Where such complaints are not investigated, they shall, in any event, be kept on file and in the records and if at any subsequent stage the Whistle Blower comes forward identifying himself/herself to be the initiator of the concerned anonymous/ pseudonymous complaint with sufficient proof, the Whistle Blower Committee shall, proceed to deal with the same as per paragraph 8 above.

## **12- Investigation and Redressal of the Protected Disclosure/ Complaint**

- I. The Protected Disclosure or complaint received under Whistle Blower will be examined to determine if a prima-facie case exists for enquiry. The same would be forwarded for investigation to the concerned investigations department. However, the decision to conduct an investigation is by itself not an acceptance of the allegations. In other words, the investigation process is to be treated as a neutral fact finding process and will be completed within 01 month from its commencement.
- II. Depending upon the investigation report upon receipt, the Committee may decide on carrying out fresh/ further investigation(s) within a reasonable time up to a maximum of 01 month or expand the scope.
- III. During the investigation, the Whistleblower Committee will not attempt to conceal evidence of the Protected Disclosure and shall take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made or any other further Protected Disclosure which is to be made.
- IV. The Whistleblower Committee will be the final authority to decide whether the allegations would be informed to the Subject at the beginning of the formal investigation or at a later stage, based on the nature of the Protected Disclosure/ complaint.
- V. The Whistleblower Committee will provide an opportunity of being heard to the Subject(s) and other persons involved.
- VI. Once the investigation is completed and an appropriate action has been taken by the Committee, the Whistleblower will be informed about the closure, as maybe authorized by the Committee.
- VII. The Subject(s) shall have a duty to co-operate with the Committee or the investigation authority /any of the investigation officers during investigation

- VIII. If it is deemed necessary by the investigation authority, that it is necessary to verify the contents of the Protected Disclosure, the investigation authority may contact the Whistle Blower at the address/ phone number/ e-mail ID given in the Protected Disclosure for the purpose of investigation (wherein the details have been revealed by the Whistleblower).
- IX. If either the Whistleblower or the Subject is dissatisfied with the disposal of his Protected Disclosure report, they may approach the MD & CEO and/or the Chairman of the ACB for review.
- In case there is a Whistleblower complaint against any of the directors of the Bank, the same may also be addressed to the Chairperson of the ACB at the above referred designated Email ID.
- If the Whistleblower complaint is against the Chairperson of the ACB, the same may be addressed to the Chairperson of the Board of Directors of the Bank.
- X. If the findings bring out any loss caused to the Bank as a result of the corrupt act/ misuse of office by any of the official/ Employee of the Bank, appropriate administrative process may be recommended by the Whistleblower Committee for recovery of the loss caused to the Bank.
- XI. Apart from the disciplinary action or recovery process as stated above if Whistleblower Committee is of the opinion that any further action including criminal proceedings is warranted by the facts and circumstances of the case, it may so be recommended to the MD & CEO.
- XII. On the basis of the findings, if it deems fit, the Whistleblower Committee can also recommend to initiate the process for corrective measures for preventing recurrence of such events in future.

### **13- Outcome of Investigations into Allegations under a Whistle Blower Policy**

If an investigation leads the Designated Authority to conclude that an improper, unethical, fraudulent act or misconduct has been committed, the Designated Authority shall recommend to the management of the Bank to take such disciplinary or corrective action against the subjects as the disciplinary authority may deem fit.

### **14- Reporting to the Audit Committee of the Board (ACB)**

A quarterly report on the findings under the Whistle Blower Policy will be submitted to the Audit Committee of the Board for information. The Compliance Department will be the convener of the Whistle Blower Committee meetings and will monitor and submit quarterly reports to the ACB.

## **15- Retention of documents**

- a) All Protected Disclosures, along with other documents relating thereto shall be retained by the Bank for a minimum of Ten years or as maybe required under the Bank's internal policies/ applicable laws and guidelines.
- b) The investigation report of each investigation duly approved/ reviewed by the Competent Authority / by the concerned Investigation Officers shall be retained for the same period as set out in Clause 15.a) for future requirement of either the Bank or the external authority.

## **16- Review and Oversight**

This Policy would be reviewed annually or on account of any change in applicable regulatory guidelines from time to time. Such Policy review would be approved by the Audit Committee and then by the Board. The details of establishment of vigil mechanism / Whistle Blower Policy shall be disclosed by the Bank on its website and in the Board's Report to the stakeholders.

The Audit Committee shall oversee the vigil mechanism and if any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the other members of the Committee and would deal with the matter on hand.