

# **WHISTLE BLOWER POLICY**

**OF**



## **KRISHNA BHIMA SAMRUDDHI LOCAL AREA BANK**

**MADHAPUR  
HYDERABAD**

**2025-26**



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## **1. PREAMBLE**

- 1.1. KBS LOCAL AREA Bank ("**Bank**") encourages an open and transparent system of working and dealings amongst the employees, customers and members of general public coming into contact with the Bank by adopting the highest standards, integrity and ethical behavior. The Bank has a detailed "Code of Conduct and Service Rules" that directs the Employees (as hereinafter defined) to uphold the Bank's values and urges them to conduct business with integrity and by adopting the highest ethical standards.
- 1.2. It is the Bank's constant endeavor to maintain the highest ethical standards. By means of this Policy (as hereinafter defined), the Bank hopes to encourage and empower the Employees / Stakeholders (as hereinafter defined) to make or report any Protected Disclosures (as hereinafter defined) under the Policy. This Policy has also been put in place to provide a mechanism through which adequate safeguards can be provided against victimization of employees who avail of this mechanism.

## **2. OBJECTIVES**

- 2.1 The Policy aims at quickly spotting aberrations and dealing with it at the earliest through an established mechanism enabling the Employees and the Stakeholders to make Protected Disclosures under this Policy without any fear of reprisal, retaliation, discrimination, or harassment of any kind.
- 2.2 The Policy through sustained best practices, aims to raise the standard of ethics, morals, and integrity and to encourage a culture of openness and transparency in dealings between Employees / Stakeholders who come in contact with the Bank.
- 2.3 The Policy aims to assure the Employees and the Stakeholders of confidentiality and protection to the Whistle Blower who has made any Protected Disclosures against any personal vindictive actions such as humiliation, harassment, or any other form of unfair treatment, as a result of the reporting of a Protected Disclosure.

## **3. SCOPE & COVERAGE**

- 3.1 This Policy would cover and will be applicable to the Protected Disclosures related to violation / suspected violation of the Code of Conduct including (a) breach of applicable law; (b) fraud/criminal offence or corruption/misuse of office to obtain personal benefit/pecuniary advantage for self or any other person; (c) leakage/ suspected leakage of unpublished price sensitive information (UPSI) in violation to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related internal policy of the Bank, i.e. Share Dealing Code of the Bank; (d) willful data breach and/or unauthorized disclosure of Bank's proprietary data including customer data.



3.2 The Policy will not cover the following types of complaints which if made, will not be considered as Protected Disclosure under this Policy:

3.2.1 Matters relating to personal grievances on issues such as appraisals, compensation, promotions, rating, behavioral issues/concerns of the manager(s)/supervisor(s)/other colleague(s), complaint of sexual harassment at workplace etc. for which alternate internal redressal mechanisms in the Bank are in place.

3.2.2 Matters which are pending before a court of law, tribunal, other quasi-judicial body or any governmental authority.

3.2.3 Anonymous/ pseudonymous complaints will not be considered as Protected Disclosures under this Policy.

#### **4. SCHEME**

##### **4.1. Definitions**

4.1.1. **"Audit Committee"** shall mean the Audit Committee of the Board.

4.1.2. **"Bank"** shall mean KBSLA Bank, a banking company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Fortune Chambers, Image Garden Function Hall, Silicon Valley, Madhapur, Hyderabad – 500081.

4.1.3. **"Board"** means the board of directors of the Bank.

4.1.4. **"Code of Conduct"** shall mean the Conduct & Service Rules of the Bank, as the same may be amended, modified, re-stated or substituted from time to time.

4.1.5. **"Competent Authority"** shall mean the Audit Committee of the Board Constituted/reconstituted in terms of various acts, rules, regulations, circulars and guidelines issued as referred in the Policy.

4.1.6. **"Employee"** shall mean any employee or any Whole-Time Director of the Bank.

4.1.7. **"Investigation Authority"** shall mean the Chief Operating Officer or any other authority nominated by the MD or ED of the Bank.

4.1.8. **"Investigation Officer(s)"** shall mean any internal officer(s) of the Bank or any external agency (ies) nominated by the Whistle Blower Committee/ Investigation Authority to conduct an investigation under this Policy.

4.1.9. **"Policy"** shall mean "Whistle-Blower Policy" together with all schedules and annexures hereto, as the same may be amended, modified, re-stated or substituted from time to time in accordance with the terms hereof.

4.1.10. **"Protected Disclosure(s)"** shall mean the communication made in good faith that discloses or demonstrates information that may evidence a matter



- 4.1.11. specified in Paragraph 3.1 above in accordance with this Policy and which does not fall within any of the categories mentioned in Paragraph 3.2 above.
- 4.1.12. **"Stakeholders"** shall mean (a) customers of the Bank; (b) non-governmental organizations; (c) employees of other agencies deployed for the Bank's activities, whether working from any of the Bank's offices or any other location; (d) contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Bank, (e) shareholders of the Bank; and (f) any other person having an association with the Bank.
- 4.1.13. **"Subject"** shall mean a person 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.
- 4.1.14. **"Whistle Blower"** shall mean an Employee/ Stakeholder making a Protected Disclosure in good faith under this Policy.
- 4.1.15. **"Whistle Blower Committee"** shall mean the Whistle Blower Committee of the Bank, as may be constituted or re-constituted from time to time and as appointed by the Competent Authority i.e. Audit Committee thereby delegating its roles, powers and functions to the Whistle Blower Committee. The composition of the Whistle Blower Committee, as on the date of this Policy, are as under:

#### **Whistle Blower Committee Members**

| <b>S.no.</b> | <b>Committee</b> | <b>Name &amp; position of the member</b> |
|--------------|------------------|--|
| 1            | Chairman         | L. Ram Mohan Rao GM & COO                |
| 2            | Member           | B. Sudhakar, General Manager             |
| 3            | Member           | M. Rajasekhar, Chief Manager             |
| 4            | Member           | R. Anuradha, Chief Manager               |

- 4.2 Eligibility-** Employees of the Bank and the various Stakeholders of the Bank are eligible to make Protected Disclosures under the Policy.

#### **5. WHISTLE BLOWER'S ROLE, RIGHTS & RESPONSIBILITIES**

5.1. All Protected Disclosures should contain factual information in relation to the matter being reported rather than any speculative information and must contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures.

- 5.1. For a reporting under this Policy by a Whistle Blower to be construed as a Protected Disclosure, it must be made in good faith. A disclosure will be construed as made in good faith only if there is a reasonable basis to believe or suspect that the alleged wrongful acts covered under this Policy have transpired. Good faith shall not be present when the Whistle Blower does not have any factual basis for the communication of a disclosure and/or where a complaint is being made for personal gain.





- 5.2. The role of a Whistle-blower is limited to making a Protected Disclosure. The Whistle Blower will not act on his own in conducting any investigation nor does he / she has a right to participate in any investigative activity other than to the extent that his/her co- operation is sought by the Investigation Officers.
- 5.3. The intentional filing of a false disclosure by any person will be considered as improper activity and the Bank will have the right to act upon that and take appropriate disciplinary action against the person making such intentionally false disclosure.
- 5.4. The identity of the Whistle Blower will not be disclosed except where required under the law or to the extent required to be disclosed to the Investigation Officers and the team carrying out the investigation into the matter specified in the Protected Disclosure.
- 5.5. This Policy may not be used as a protection by any Employee against whom a disciplinary action has been taken and/or is already in process under the Bank's rules and policies.
- 5.6. The Whistle Blower should ensure that the issue raised by him/ her is covered within the scope of this Policy and that he/ she has a reasonable basis for believing that the alleged misdeed or wrongful act has transpired.

**6. PROCEDURE FOR LODGING/RECEIVING PROTECTED DISCLOSURES UNDER THE POLICY.**

- 6.1 All Protected Disclosures made under the Policy shall be made to the Whistle Blower Committee (WBC).
- 6.1. The Protected Disclosure should be in writing and should contain details of the person making such protected disclosure. He / she should give his / her name (employee code in case of an employee) and address with pin code, phone number and / or e-mail ID, if any, prominently at the beginning or at the end of the Protected Disclosure or in the covering letter.
- 6.2. Whistle Blowers may make Protected Disclosures through any of the following modes:
- 6.2.1. By letter in a closed / sealed envelope addressed to:
- Shri L. Ram Mohan Rao, Chairman,  
**Whistle Blower Committee**  
KBS Local Area Bank  
5<sup>th</sup> Floor, Fortune Chambers  
Image Garden Function Hall Lane  
Silicon Valley, Madhapur  
HYDERABAD – 500081



The envelope should be super scribed as follows:

**"Protected Disclosure under Whistle Blower Policy of the Bank".**

- 6.2.2. By way of an email addressed to [whistleblower@kbsbankindia.com](mailto:whistleblower@kbsbankindia.com)
- 6.3. In exceptional circumstances where the usual channels for communication of the Protected Disclosure as set out in Paragraph 6.3 above may not be adequate such as where the Protected Disclosure relates to any of the members of the Whistle Blower Committee, the Whistle Blower may make such Protected Disclosure directly to the Chairperson of the Audit Committee either through a letter addressed to him/her and sent to the registered office of the Bank or through email to Ms. Mikkilineni Geetha Sridhar >chairperson.acb@kbsbankindia.com<
- 6.4. Anonymous /pseudonymous complaints do not constitute Protected Disclosures and the makers thereof are not entitled to the benefit of this Policy. Such anonymous/pseudonymous complaints shall normally be kept on file/ records and if at any subsequent stage the Whistle Blower comes forward in identifying himself / herself to be the initiator of the anonymous/ pseudonymous complaint concerned with sufficient proof, the Whistle Blower Committee shall, proceed to deal with the same as per paragraph 8 below. On receiving any such anonymous/pseudonymous complaints the WB Committee shall first make an attempt to contact the initiator of such anonymous/ pseudonymous complaint on their available contact details urging them to convert the complaint into a protected disclosure by identifying himself/ herself with sufficient proof. Where despite such efforts the complainant continues to remain anonymous, then the complaint will get filed on record.
- 6.5. However, any anonymous/ pseudonymous complaint which raises serious or important concerns related to fraud/criminal offence or corruption/misuse of office to obtain personal benefit/pecuniary advantage for self or any other person; received through the official prescribed modes (as described in para 6.3. above) and with tangible and verifiable instances/evidence substantiating and corroborating the allegation(s); if the Whistleblower Committee may adjudge it meriting examination, inquiry or investigation, it may be referred to the Investigating Authority (Chief Operating Officer) for dealing with it in line with applicable internal inquiry/investigation process which shall remain outside the purview of this Policy.

## **7. PROCEDURE FOR MAINTENANCE OF RECORDS**

- 7.1 The Whistle Blower Committee through its member will maintain a record of all Protected Disclosures under this Policy, noting the serial number of the Protected Disclosure, date of receipt, date of Protected Disclosure and brief contents/ allegations made in the Protected Disclosure.
- 7.1. Protected Disclosures received under the Policy, other than by the designated channels set out in paragraph 6 of this Policy, shall be forwarded by the



recipient(s) to the Whistle Blower Committee through the email id [whistleblower@kbsbankindia.com](mailto:whistleblower@kbsbankindia.com) with subject line as "Confidential – Protected Disclosure under Whistle Blower Policy".

## **8. PROCEDURE FOR ENQUIRY / INVESTIGATION / HANDLING THE COMPLAINT**

- 8.1 All Protected Disclosures received under this Policy would be examined by the Whistle Blower Committee, except those which are received in terms of para 6.4 directly by the Competent Authority. Such Protected Disclosures received directly by the Competent Authority would be examined by them and referred for investigation at their own discretion.
- 8.2 Any complaint received against the Director of the Bank (Executive/Non-Executive/Independent), whether protected disclosure received under this Policy or an anonymous/pseudonymous one, would also be dealt with by the Whistle Blower Committee in similar manner as mentioned in this policy. The Whistle Blower Committee shall keep the Competent Authority, i.e. the ACB, immediately informed about such complaint received against the directors along with outcome of their initial review/fact-finding exercise and then seeking their review & advice on decided further required action/investigation.
- 8.3 If deemed necessary by the Whistle Blower Committee/ Investigation Authority/ Investigation Officer to verify the contents of the Protected Disclosure, the Whistle Blower Committee/ Investigation Authority/ Investigation Officer will get in touch with the Whistle Blower at the address/ phone number/ e-mail ID given in the Protected Disclosure.
- 8.4 The Whistle Blower Committee may, upon receipt and verification of the Protected Disclosure as set out above, subject to paragraphs 8.5 and 8.6 below assign the investigation to an appropriate Investigation Officer(s) depending on the nature of the subject matter of the Protected Disclosure.
- 8.5 If any complaint is received under this Policy with respect to any allegation which falls within the ambit of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**"), the same will be referred to the committee constituted under POSH Act in the Bank.
- 8.6 If any complaint is received under this Policy with respect to any allegation relating to personal grievances of the employee such as appraisals, compensation, promotions, rating, behavioral issues/concerns of the manager(s)/supervisor(s)/other colleague(s), the same may be referred/redirected to alternate internal redressal mechanisms available within the Bank to deal with such complaints.
- 8.7 Since anonymous / pseudonymous complaints do not constitute Protected Disclosures and the makers thereof are not entitled to the benefit of this Policy; the same may be dealt with as specified in para 6.5 & 6.6 above.
- 8.8 All relevant papers/ documents with respect to the matters raised in the Protected Disclosure will be obtained, if necessary, by the Investigation Authority/ Investigation Officer and investigation in the matter will be commenced immediately.
- 8.9 The manner and modalities of conducting investigations generally shall be as determined by the Whistle Blower Committee, from time to time, through the





- 8.10 issuance of operating guidelines. Once an investigation has been assigned to the relevant Investigation Officers by the Whistle Blower Committee, the investigation will be overseen and be conducted under the overall guidance of the Investigation Authority who shall in addition to providing direction to any such investigation also function as a central point of liaison between the Investigation Officers and the Whistle Blower Committee.
- 8.11 If any member of the Audit Committee or the Whistle Blower Committee has a conflict of interest in any given case, then he/she shall be recused and the other members of the Audit Committee or the Whistle Blower Committee shall deal with the matter on hand.
- 8.12 The Subjects shall have a duty to co-operate with the Whistle Blower Committee / Audit Committee or the Investigation Authority/ any of the Investigation Officers during investigation.
- 8.13 In order to protect the identity of the Whistle Blower, the Bank will not issue any acknowledgement of receipt of the complaint and the Whistle Blowers are advised not to enter into any further correspondence with the Bank in their own interest. The Bank, subject to the facts of the case being verifiable, will be taking necessary action, as provided under the scheme. If any further clarification is required, the Bank may get in touch with the Whistle Blower.

## **9. DECISION**

- 9.1. Investigation Authority/ Investigation Officer shall place the investigation report in respect of any Protected Disclosure before the Whistle Blower Committee together with any other supporting documents which may be required by the Whistle Blower Committee and shall discuss the findings of the investigation with the Whistle Blower Committee. After review of the investigation report and the requisite supporting documents, the Whistle Blower Committee shall take the necessary action in relation to the Protected Disclosure. In the event that the Whistle Blower Committee determines, after reviewing, examining and discussing the investigation report in respect of any Protected Disclosure, that the same should be placed before the Audit Committee, along with its own findings and recommendations (if any) for its review and to seek the directions of the Audit Committee.
- 9.2. In case the complaint is found to be wrong/ incorrect and is found to have been made by the Whistle Blower knowing it to have been false and/or with *malafide* intent or is motivated or vexatious, then the Bank may take disciplinary / appropriate action against the complainant for making such false and *malafide* complaint. The decision of the Whistle Blower Committee in this regard shall be final and binding on all.

## **10. PROTECTION AVAILABLE TO THE WHISTLE BLOWER**

- 10.1. Whistle Blowers shall be protected against any unfair practice like retaliation, threat, intimidation, unlawful termination/suspension of service, disciplinary action, transfer, demotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct



- 10.2. the Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Bank, as a policy, condemns any such action or practice.
- 10.3. If the Whistle Blower believes that he/she is victimized or has suffered adverse or unfair treatment or retaliation due to him/ her making of the Protected Disclosure, he/she may file an application before the Audit Committee seeking redressal in the matter. Audit Committee will take such action, as deemed fit including, without limitation, any measures required to prevent/ reverse initiation of any adverse action against the Whistle Blower.
- 10.4. The Audit Committee shall also have powers to look into and take necessary steps/ actions in respect of any complaints received from the Whistle Blower about any harassment/victimization etc., such action may include involuntary demotion/resignation/retirement, disciplinary action, termination of employment, rejection of confirmation (in case of probation), etc. subsequent to his/her disclosing the concern to the Investigation Officers.
- 10.5. In the event that the identity of the Whistle Blower is disclosed in spite of the Bank's directions to the contrary, the Whistle Blower Committee will be initiating appropriate actions as per extant regulations and policies of the Bank against the person making such unauthorized disclosure. The Whistle Blower Committee may also direct such person to suitably compensate the Whistle Blower.

## **11. REVIEW OF THE PROCESS**

- 11.1. A quarterly report with the number of Protected Disclosures received under this Policy and their outcome shall be placed before the Audit Committee.
- 11.2. An annual report with the number of Protected Disclosures received under this Policy and their outcome shall be placed before the Managing Director of the Bank and the Audit Committee of the Board.
- 11.3. The Audit Committee shall review the functioning of the whistle blower mechanism under this Policy on an annual basis including determining whether any changes/improvements should be made to the Policy.

## **12. RETENTION OF DOCUMENTS**

- 12.1. All Protected Disclosures along with the results of investigation relating thereto shall be retained by the Bank for a minimum period of seven years.
- 12.2. The proceedings of each investigation duly reviewed/signed by the concerned Investigation Officers shall be retained for the same period as set out in Paragraph 12.1 for future requirement of either the Bank or the external authority.



### **13. IMPLEMENTATION OF THE POLICY**

13.1. This Policy will be applicable to all the branches/ back offices / corporate office of the Bank.

### **14. Amendments & Interpretations**

14.1. The Audit Committee reserves the right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever.

14.2. All questions of interpretation of the Policy shall be determined by the Whistle Blower Committee and such determination shall be final and binding upon all the persons concerned.

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