

## WHISTLE BLOWER POLICY OF KSBCDC

**1. Preamble:** Section 177 (9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, mandate that every listed company and certain other categories of Companies shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances for adequate safeguards against internal /external threats like frauds, bribery, corruption, abuse of power or authority, violation of company's code of conduct or ethical policy, laid down systems and procedures, transgression of Delegated Authority etc. involving financial or economical and reputational implications. Constant vigilance at all levels is necessary through a process called 'participative vigilance' where each and every employee /director shall take an effective role in reporting such instances to the Audit committee or in the absence Audit Committee any other Director nominated by Board of Directors to play the role of Audit Committee. This should ensure transparency and accountability for the working of the Corporation and prevent instances of frauds, bribery, corruption, abuse of power, non-compliance with laid down systems and policies both among the employees, Directors. Auditors Employees and Directors are watch dogs and they should have the unfettered right to report their grievances and concerns to the proper authority without the risk of subsequent victimization, discrimination or disadvantage or otherwise. In order to instill confidence in the employees/directors without the fear of victimization or disadvantages as well as to prevent the mishap at the initial stage itself, a need was felt for introducing a vigil mechanism called 'Whistle Blower Policy' for the Corporation for more effective Corporate Governance.

### **2. Short Title and Definitions:**

2.1 Short title: This policy is Whistle Blower Policy of Kerala State Back ward Classes Development Corporation Ltd

2.2 Definitions: In this Policy, unless repugnant to the subject or context, the following expressions shall have the meanings hereunder assigned to them, namely:

- (a) **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made there under. The Audit Committee shall oversee the Vigil Mechanism of the Company, which includes this Whistle Blower Policy. Wherever any member of the Audit Committee has a conflict of interest in a given case, they should recuse themselves; and the others on the Audit Committee would deal with the matter on hand
- (b) **"Board"** means the Board of Directors of the Company
- (c) **"Complaint"** means an expression of an Improper Activity, made in writing by any Employee or Director of the Company including the employees in the branch office or sub office of the Company referred to as **"Complainant"**.
- (d) **"Complainant"** means an Employee or Director of the Company, who have made

the complaint under this Policy. Complainant is also referred to in this Policy as **Whistle Blower**

- (e) "KSBCDC or “Company” means Kerala State Backward Classes Development Corporation Ltd.
- (f) "**Competent Authority**“ means Managing Director of the Company at present, or any other Director of the Company nominated by the Chairman of KSBCDC from time to time, for receiving Protected Disclosures under this Policy. In case of conflict of interest of Managing Director, Chairman shall be the Competent Authority. In case of conflict of interest of Chairman (i.e., Chairman being the subject), the Chairperson of the Audit Committee shall be the Competent Authority
- (g) **Chairman** means chairman of the Board of Directors of KSBCDC
- (h) **Disciplinary Action** "means any action that can be taken on the completion /during the investigation proceedings, including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit, considering the gravity of the matter
- (i) **Improper Activity**" means any activity by an employee of the Company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the rules of conduct applicable to the employee, including, but not limited to, corruption, malfeasance, bribery, theft, conversion or misuse of the Company's property, misappropriation of monies, fraudulent claim, actual or suspected fraud, willful omission to perform duty, abuse of authority, engaging in any activity that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency or substantial and specific danger to public health and safety
- (j) **Investigators**" means those persons authorized, appointed, consulted from time to time by the Competent Authority, in connection with conducting investigation into the Protected Disclosure
- (k) **Motivated Complaint**" means a complaint found to be deliberately false or motivated by revenge, mischief or such other considerations.
- (l) **Policy** means this Whistle Policy of KSBCDC
- (m) **Protected Disclosure**" means a bona-fide communication of any Improper Activity in relation to the matters concerning the Company, raised by a Director/ Employee of the Company, through a written communication and made in good faith. The Protected Disclosure should be factual and not speculative or in the nature of an interpretation /conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern or grievance
- (n) **Subject**" means a person or group of persons against or in relation to whom the Protected Disclosure/Complaint has been made or evidence gathered during the course of investigation
- (o) **Victimization**” means any act by which the Complainant/Whistle Blower is victimized for making a Complaint in good faith
- (p) “Whistle Blower” means a Complainant, who makes a Protected Disclosure under this Policy. Whistle Blower is also referred to in this policy as **“Complainant”**.

### **3. ELIGIBILITY**

All Employees and Directors of KSBCDC are eligible to make a Complaint / Protected Disclosure under this Policy.

### **4. SCOPE OF POLICY**

This policy is designated to enable Employees and Directors of the Company including employees of District Offices and Sub offices, to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This Policy enables them to disclose information which the individual believes to be Improper Activity(as defined in this policy),including but not restricted to any malpractices and events which have taken place / suspected to have taken place, financial impropriety, manipulations, misuse or abuse of authority, actual fraud or suspected fraud, violation of law and infringement of Company Policies, negligence causing danger to environment, public health and safety, improper conduct or unethical behavior involving moral turpitude, criminal activity or any such other activity, including attempts to conceal any of the above, which could affect the business or reputation of the Company.

### **5. Who can blow the whistle?**

Any Employee or Director of the Company who has definite and verifiable information about wrong doing/unfair practices carried out in the Company and wishes to make a protected disclosure can blow the whistle.

### **6. REPORTING A PROTECTED DISCLOSURE**

- 6.1 All Protected Disclosures should be reported in writing by the Complainant as soon as possible after becoming aware of the same, so as to ensure a clear understanding of the issues raised. The Complaint should either be typed or written in legible handwriting in Malayalam or English. The Protected Disclosure should be attached to a letter bearing the identity of the Complainant ,i.e. his/her name, location with mobile number and email
- 6.2 The Protected Disclosure should not be merely speculative in nature but should be based on actual fact. The Protected Disclosure made should not be in the nature of a conclusion and should contain as much specific information as possible to allow for proper conduct of the inquiry/investigation
- 6.3 The Protected Disclosure should be submitted in a closed and sealed envelope addressed to the Competent Authority, which should be super-scribed as "Protected Disclosure under the Whistle Blower Policy" .If the envelope is not super-scribed and sealed as mentioned above, it will not be possible to protect the Complainant and the Protected Disclosure will be dealt with as a normal disclosure
- 6.4 In order to protect the identity of the Complainant, the Competent Authority will not issue any acknowledgement to the Complainant, unless so desired expressly by the Complainant. The Complainants are advised to neither write their names/address on the envelope, nor to enter into any further correspondence with the Competent Authority. The Competent Authority shall assure that in case any further clarification is required, he will get in touch with the Complainant.

- 6.5 Anonymous/ Pseudonymous disclosure shall not be entertained.
- 6.6 The Protected Disclosure should be forwarded under a covering letter signed by the Complainant. The Competent Authority shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure
- 6.7 All Protected Disclosures should be addressed to the appropriate Competent Authority, as specified below:-

In general, all protected Disclosures should be addressed to the Managing Director of the Company at the following address:-

Managing Director

Kerala State Backward Classes Development Corporation

2<sup>nd</sup> Floor, Sentinel, Pattoor , Vanchiyoor P O Thiruvananthapuram 695 035

Provided that the Board may nominate in future, ,any other Director in the above capacity from time to time; and details of such change in nomination will be published on the Intranet and on the Website of the Company or in such other manner as may be deemed fit.

In case of conflict of interest of the said Managing Director (i.e., such Managing Director being the subject), the Protected Disclosures should be addressed to the Chairman at the following address:-

**Chairman**

**Kerala State Backward Classes Development Corporation Ltd**

**2nd Floor, Sentinel, Pattoor , Vanchiyoor P O Thiruvananthapuram 695 035**

In case of conflict of interest of the Chairman (i.e., Chairman being the subject), and in all exceptional cases, the Protected Disclosures should be addressed to the Chairperson of the Audit Committee at the following address:-

**Chairman, Audit Committee**

**Kerala State Backward Classes Development Corporation Ltd**

**2nd Floor, Sentinel, Pattoor , Vanchiyoor P O Thiruvananthapuram 695 035**

- 6.8 On receipt of the Protected Disclosures, the Competent Authority shall make a record of the Protected Disclosure and also ascertain from the Complainant whether he was the person who made the Protected Disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency, before referring the matter, with approval of the Chairman, as the case may be, to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:
- a) Brief facts;
  - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - c) Whether the same Protected Disclosure was raised previously on the same subject;
  - d) Details of actions taken by the Competent Authority for processing the complaint

- e) Findings of the Audit Committee
  - f) The recommendations of the Audit Committee thereon.
- 6.9 . The Audit Committee, if deems fit, may call for further information or particulars from the Complainant. The matter reported by him/her, the Company will arrange for the Whistle Blower to receive advice about the procedure etc.

## 7. INVESTIGATION

- 7.1 The Competent Authority shall determine whether the circumstances warrant an investigation. If so, reasons for such determination shall be recorded in writing and necessary directions will be given to investigators to investigate the complaint.
- 7.2 The investigation shall be fair and objective, and shall be undertaken by a person or persons who have no conflict of interest with either the Complainant or with the Subject
- 7.3 All employees of the Company are duty bound to co-operate with the investigator to the extent that their cooperation will not compromise self-incrimination protection afforded under the law.
- 7.4 Subject will normally be informed of the allegations at the outset of a formal investigation, and will have opportunity for inputs during investigation.
- 7.5 Subject will have a right to consult with a person or persons of their choice, other than the Competent Authority and/or members of the Audit Committee and/or the Whistle Blower.
- 7.6 Subject will have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject.
- 7.7 Subject will not be entitled to any form of legal representation by an advocate during investigation.
- 7.8 The investigation shall be completed within 60(sixty)days from the date of order of investigation given by the Competent Authority or such extended period as the Competent Authority may permit for reasons to be recorded. The period fixed for the investigation is the essence, since action, if any, to be taken on the Complaint will depend on the investigation, and speedy action is the essence of this Policy.
- 7.9 The Investigator will submit the report on the investigation to the Competent Authority, which shall mark the completion of the investigation, unless the Competent Authority requires any further investigation into any specific aspect and fixes the time within which the further investigation is to be completed.
- 7.10 Unless there are compelling reasons not to do so, subject will be given the opportunity to respond to material finding contained in the investigation report. No allegation of wrong doing against a subject shall be considered as maintainable unless there is good evident in support of the allegation.
- 7.11 Subject will have a right to be informed of the outcome of the investigation, if allegations are not substantiated, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

7.12 The complainant and the Subject have the right to be informed of the outcome of the investigation

## **8. ACTION**

- 8.1 If the Competent Authority is of the opinion upon investigation, that the investigation discloses the existence of Improper Activity which warrants disciplinary action against the Subject or any other person, needful action shall be taken depending on the level of improper activity. In such cases the Competent Authority shall recommend with the approval of Chairman as the case may be to the Audit Committee, to take such disciplinary or corrective action as is deemed fit. It is clarified that any disciplinary action or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this policy shall adhere to the applicable Staff Rules and Regulations of the Company
- 8.2 If the subject is the Chairman, the Chairperson of the audit Committee after examining the Protected Disclosures, shall forward the Protected Disclosures to the other members of the Audit Committee, if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosures
- 8.3 If the Competent Authority is satisfied that the complaint is frivolous, false, motivated and vexatious and particularly repeated frivolous, are being filed by an employee or Director, the Audit Committee may recommend suitable disciplinary action including reprimand against such Employee or Director as the case may be
- 8.4 The Competent Authority shall take such other remedial action as deemed fit to remedy the Improper Activity mentioned in the complaint or to prevent the recurrence of such Improper Activity
- 8.5 The Competent Authority is of the opinion upon investigation that no further action on Complaint is warranted, he shall so record in writing and also inform Complainant in writing.

## **9. GRIEVANCES**

- (a) If the Complainant feels aggrieved with the disposition of his or her Complaint, or if the Complainant or Subject feels that protection, which either of them is entitled to, has not been provided or has been disregarded, the Complainant or Subject, as the case may be, may make a representation in writing of his or her grievance to:-
  - i. The Chairman of Audit Committee who will take such action in the matter as considered necessary to redress the grievance
  - ii. .If the Complainant or Subject feels aggrieved with the action taken by the Competent Authority on the presentation made as above, he/she may make a representation in writing of his or her grievance to the Chairperson of the Audit Committee of the Company, who shall take or direct such action on the representation as is deemed fit.
- (b) The decision of the Chairperson of the Audit Committee shall be final and binding on the Complainant and on the Subject.

## 10. PROTECTION

No unfair treatment will be meted out to a Complainant/ Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Complainant/ Whistle Blower. Adequate safeguards and complete protection will, therefore, be given to Complainant /WhistleBlower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the likes, including any direct or indirect use of authority to obstruct the Complainant's right to continue to perform his duties/ functions including making further Protected Disclosures. The Company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Protected Disclosure. In case, the Complainant / Whistle Blower is required to give evidence in a criminal or disciplinary proceeding in connection with the matter reported by him/her ,the company will arrange for the Whistle Blower to receive advice about the procedure etc

- 10.1 A Whistle Blower may report any violation of the above Clause to the Chairperson of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.2 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. KSBCDC will keep the Complainants identity confidential, unless:
  - The Person agree to be identified;
  - Identification is necessary to allow investigators to investigate or respond effectively to the report;
  - Identification is required by law; and
  - The person accused of violations is entitled to the information as a matter of legal right in disciplinary proceedings.
- 10.3 In the event of the identity of the Complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per existing rules against the person or agency making such disclosure
- 10.4 .In the event that a complaint made in good faith is subsequently found to be untrue; no action would be initiated against the Complainant. However, action will / may be taken against the Complainant making frivolous, motivated and baseless allegations. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith, as assessed by the Audit Committee, shall be viewed seriously and the Complainant shall be subject to disciplinary action as per existing Rules
- 10.5 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Complainant.

## **11. ACCESS TO CHAIRPERSON OF THE AUDIT COMMITTEE**

The Whistle Blower shall have direct access to the Chairperson of the Audit Committee in exceptional cases and the Chairperson of the Audit Committee is authorized to prescribe suitable directions in this regard

### **10.5.1 SECRECY/CONFIDENTIALITY**

The Complainant, the Subject, the Competent Authority and everyone involved in the process shall:-

- Maintain complete confidentiality/secretcy of the matter;
- Not discuss the matter in any informal/social gathering/meetings;
- Discuss only to the extent or with the persons required for the purpose of completing the process and investigation;
- Not keep the papers unattended anywhere at any time; and
- Keep the electronic mails/files under password protected.

## **12 REPORTING**

12.1 A Quarterly Report with the number of complaints received under the Policy and their outcome shall be placed before the Audit Committee by the Managing Director

12.2 A Half-yearly Report with the number of complaints received under the Policy and their outcome shall be placed before the Board of Directors by the Company Secretary

## **13 ADMINISTRATION AND REVIEW OF THE POLICY**

The Managing Director shall be responsible for the administration, interpretation and application of this Policy.

## **14 AMENDNIENT**

This Policy can be changed, modified at any time by the Board of Directors of the Company.

## **15 RETENTION OF DOCUMENTS**

All Protected Disclosures in writing along with the results of investigation relating thereto shall be retained by Company Secretary of the Company, in safe custody for a minimum period of eight years or such other period as specified by any other law in force, whichever is more.

## **16. CRIMINAL ACTIVITY**

If there is evidence of criminal activity, the Company will ensure that any internal investigation does not hinder a formal police investigation.

## **17. NOTIFICATION**

17.1 A Whistle Blower policy can be effective only when it is properly communicated to its Directors and Employees, Directors and Employees of KSB CDC shall be informed about this Whistle Blower Policy by publishing the same on the intranet and on the Website of the Company or in such other manner as may be deemed fit.

17.2 All district office & sub officers are required to notify & communicate the existence and contents of this Policy to their respective employees

17.3 The new employees shall be informed about this Policy by the HR Department

**18. ANNUAL AFFIRMATION**

The MD of the Company shall annually affirm that he has not denied any Director / Employee of KSBCDE access to the Competent Authority and that he has provided adequate safeguards and protection to the Complainants / Whistle Blowers from adverse personal action. . Such affirmation shall form part of the corporate Governance Report as attached to the Annual Report of the Company.