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124th B.M. / 22.12.2012

Item No.26

124th Board Meeting

Whistle Blower Policy for better Corporate Governance

In order to encourage transparency, honesty and ethical behavior in the affairs of the Corporation there is a need to put in place adequate mechanism. In order to provide adequate safe guards against victimization of employees who avail of the mechanism, the draft "Whistle Blower Policy" has been prepared and is at **Annexure-1 at page 159-163**

Department of Public Enterprises (DPE) has issued the "Guidelines on Corporate Governance for CPSEs" which also emphasized on need to adopt a Whistle Blower Policy for better internal checks and controls.

The Board is requested to kindly peruse the policy and approve the same for implementation in the Corporation. If approved the Board of Directors may pass the following resolution with or without modification(s):

"RESOLVED THAT the Whistle Blower Policy as per Annexure-I is adopted with effect from 01.01.2013 and shall be reviewed after a period of two years. The Chairman-cum-Managing Director is authorized to take necessary action for implementation of the same".

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ANNEXURE-I

DRAFT WHISTLE BLOWER POLICY

PUBLIC INTEREST DISCLOSURE AND PROTECTION OF INFORMER

OBJECTIVE

The objective of this policy is to provide opportunity to employees access, in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the National Scheduled Castes Finance and Development Corporation(NSFDC) and to prohibit managerial personnel from taking any adverse personnel action against those employees.

Applicability

This policy applies to all permanent employees of NSFDC.

Complaint Handing Mechanism

The Government of India vide office order No.04/02/12 dated 13.02.2012 has authorized the Central Vigilance Commission as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption of misuse of office and recommend appropriate action.

Following guidelines, as laid down by CVC, will be followed while handling complaints received under "Whistle Blower Policy – Public Interest Disclosure and Protection of Informer"

- (i) NSFDC shall, as the Designated Agency appointed by the Government of India, receive written complaints or disclosure on any allegation of corruption or of misuse of office by any employee of the Corporation.
- (ii) The Designated Agency will ascertain the identity of the complainant, if the complainant is anonymous, it shall not take any action in the matter.

- (iii) The identity of the complainant will not be revealed unless the complainant himself/herself has made either the details of the complaint public or disclosed his / her identity to any other office or authority.
- (iv) While calling for further report/investigation, NSFDC shall not disclose the identity of the informant and also shall request the concerned head of the organization to keep the identity of the informant a secret, if for any reason the head comes to know the identity.
- (v) NSFDC shall be authorized to call upon the CVC or CBI or the police authorities, as considered necessary, to render all assistance to complete the investigation pursuant to the complaint received.
- (vi) If any, person is aggrieved by any action on the ground that he is being victimized due to the fact that he had filed a complaint or disclosure, he may file an application before NSFDC seeking redress in the matter wherein NSFDC may give suitable directions to the concerned person or the authority.
- (vii) If NSFDC is of the opinion that either the complainant or the witnesses need protection, it shall issue appropriate directions to the concerned offices.
- (viii) In case NSFDC finds the complaint to be motivated or vexatious, it shall be at liberty to take appropriate steps.
- (ix) NSFDC shall not entertain or inquire into any disclosure in respect of which a formal and public inquiry has been ordered under the Public Servants Inquiries Act, 1850, or a matter that has been referred for inquiry under the Commissions of Inquiry act, 1952.
- (x) In the event of the identity of the informant being disclosed in spite of NSFDC's directions to the contrary, NSFDC is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.

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Modalities to be observed while lodging complaints under Whistle Blower Policy.

Any complaint which is to be made under this policy should comply with the following aspects:-

- (i) The complaint should be in a closed / secured envelope and must be sent directly to NSFDC at the following address:-
The Chairman-cum-Managing Director,
National Scheduled Castes Finance and Development Corporation,
SCOPE Minar, Core 1 & 2,
Laxmi Nagar District Centre,
Laxmi Nagar,
Delhi – 110 092.
- (ii) The envelope should be addressed to the Chairman-cum-Managing Director, NSFDC and should be superscribed "Complaint under the Public Interest Disclosure". If the envelope is not superscribed and closed, it will not be possible for NSFDC to protect the complainant under the above resolution and the complaint will be dealt with as per the normal complaint policy of NSFDC. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter.
- (iii) NSFDC will not entertain anonymous / pseudonymous complaints.
- (iv) 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.
- (v) In order to protect identity of the person, NSFDC will not issue any acknowledgement and the whistle-blowers are advised not to enter into any further correspondence with NSFDC in their own interest. NSFDC assures that subject to the facts of the case being verifiable, it will take the necessary action, as provided under the Government of India Resolution on PIDPI (Public Interest Disclosure and Protection of Informer). If any further clarification is required, NSFDC will get in touch with the complainant

(vi) The NSFDC can also take action against complainants making motivated / vexatious complaints under this Resolution.

Procedure of Lodging Complaint under "Whistle Blower Policy – Public Interest Disclosure and Protection of Informer's Resolution (PIDPIR)"

Complaints under "Public Interest Disclosure and Protection of Informer" Resolution can be made only by post. The envelope should be superscribed "PIDPI" or "Whistle Blower". The complainant should refrain from giving his name of the body of the letter. The personal details should be separately given or given at the top or end of the letter so that they can be easily blocked out.

If any person is victimized due to the fact he had filed a complaint under the Whistle Blower provisions, he may file an application before the NSFDC seeking redressal in the matter. NSFDC would then intervene suitably to protect the complainant.

Whistle Blower Complaints – Public Interest Disclosure and Protection of Informer's Resolution (PIDPR)

If a complainant while exposing a case of corruption wants his identity to be kept secret, he/she should lodge a complaint under Public Interest Disclosure and Protection of Informers Resolution (PIDPIR)-popularly known as Whistle Blower Provision Commission is mandated not only to maintain the secrecy of the complainant's identity but also provide protection to the complainant against any physical threat, harassment or victimization.

Action to be taken by CVO for Handling Complaints received under "Whistle Blower Policy – Public Disclosure and Protection of Informer's Resolution (PIDPIR)

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The CVO, NSFDC is required to take the following actions with respect to the complaints forwarded by the commission (CVC) under Public Interest Disclosures & Protection of Informer policy:-

- (i) All the relevant papers/documents with respect to the matter raised in the complaint should be obtained by the CVO and investigation into the complaint should be commenced immediately. The investigation report should be submitted to the Chairman-cum-Managing Director, NSFDC within two weeks.
- (ii) The CVO, NSFDC is to ensure that no punitive action is taken by any concerned office against any person on perceived reasons / suspicion of being "whistle blower".
- (iii) Subsequent to the receipt of CMD's directions to undertake any disciplinary action based on such complaints, the CVO has to follow up and confirm compliance of further action by the DA and keep the CMD informed of delay, if any.

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