

**INDUSIND BANK LTD.
CORPORATE OFFICE
MUMBAI**

PROTECTED DISCLOSURES SCHEME

1. Introduction

- 1.1 Disclosure of information in the public interest by the employees of an organization is increasingly gaining acceptance by public bodies for ensuring better governance standards and probity / transparency in the conduct of affairs of public institutions. Large-scale corporate frauds had necessitated, internationally, various legislative measures for safeguarding public interest, through enactments such as Whistleblower Protection Act in USA and Public Interest Disclosure Act in UK.
- 1.2 As a proactive measure of strengthening financial stability and with a view to enhancing public confidence in the robustness of the financial sector, Reserve Bank of India (RBI) has directed that 'Protected Disclosures Scheme' be formulated by Private Sector Banks as well.

The salient features of the Scheme applicable to our Bank are as under:

2. Scope and Coverage

- 2.1 The complaints under the Scheme would cover the areas such as corruption, misuse of office, criminal offences, suspected / actual fraud, failure to comply with existing rules and regulations such as Reserve Bank of India Act, 1934, Banking Regulation Act, 1949, etc. and acts resulting in financial loss / operational risk, loss of reputation, etc. detrimental to depositors' interest / public interest.
- 2.2 Under the Scheme, employees of the bank, customers, stakeholders, NGOs and members of public can lodge complaints.
- 2.3 Anonymous / pseudonymous complaints will not be covered under the Scheme and such complaints will not be entertained.
- 2.4 Reserve Bank of India will be the Nodal Agency to receive complaints under the Scheme. RBI would keep the identity of the complainant secret, except in cases where the complaint turns out to be vexatious or frivolous and action has to be initiated against the complainant.
- 2.5 The institution against which complaint has been made can take action against complainants in cases where motivated / vexatious complaints are made under

the Scheme, after being advised by RBI. An opportunity of hearing will however, be given by the concerned bank to the complainant before taking such action.

2.6 Final action taken by RBI on the complaint will be intimated to the complainant.

3. **Procedure for lodging the complaint under the Scheme**

3.1 The complaint should be sent in a closed / secured envelope.

3.2 The envelope should be addressed to The Chief General Manager, Reserve Bank of India, Department of Banking Supervision, Fraud Monitoring Cell, Third Floor, World Trade Centre, Centre 1, Cuffe Parade, Mumbai – 400005. The envelope should be superscribed “Complaint under Protected Disclosures Scheme for Banks”.

3.3 The complainant should give his / her name and address in the beginning or end of the complaint or in an attached letter. In case of an employee making such complaint, details such as name, designation, department, institution and place of posting etc. should be furnished.

3.4 Complaints can also be made through e-mail to Reserve Bank of India giving full details as specified above. For this purpose, a specific e-mail id dbspd@rbi.org.in has been created.

3.5 The complainant should ensure that the issue raised by him involves dishonest intention / moral angle. He should study all the relevant facts and understand their significance. He should also make an effort, if possible, to resolve the issue through internal channels in order to avoid making the complaint.

3.6 The text of the complaint should be carefully drafted so as not to give any details or clue to complainant’s identity. The details of the complaint should be specific and verifiable.

3.7 In order to protect the identity of the complainant, RBI will not issue any acknowledgement of receipt of the complaint and the complainants are advised not to enter into any further correspondence with the RBI in their own interest. RBI assures that, subject to the facts of the case being verifiable, it would take necessary action, as provided under the scheme. If any further clarification is required, RBI will get in touch with the complainant.

3.8 If the complaint is accompanied by particulars of the person making the complaint, the RBI will take the following steps:

- (a) If necessary, it would ascertain from the complainant whether he was the person who made the complaint or not.
- (b) The identity of the complainant will not be revealed unless the complainant himself has made the details of the complaint either public or disclosed his identity to any other authority

- (c) If the identity of the complainant is concealed, RBI shall make discreet inquiries to ascertain if there is any basis for proceeding further with the complaint.
 - (d) Either as a result of the discreet enquiry, or on the basis of complaint itself without any inquiry, if RBI is of the opinion that the matter requires to be investigated further, RBI may consider calling for the comments / response from the Chairman / Chief Executive Officer of the concerned bank.
 - (e) After obtaining the response of the concerned bank and / or on the basis of an independent scrutiny conducted / ordered by RBI, if RBI is of the opinion that the allegations are substantiated, the RBI shall recommend appropriate action to the concerned bank. These shall, inter alia, include the following:
 - Appropriate action to be initiated against the concerned official.
 - Appropriate administrative steps for recovery of the loss caused to the bank as a result of the corrupt act or misuse of office, or any other offence covered by the Scheme.
 - Recommend to the appropriate authority / agency for initiation of criminal proceedings, if warranted by the facts and circumstances of the cases.
 - Recommend taking corrective measures to prevent recurrence of such events in future.
 - Consider initiating any other action that it deems fit keeping in view the facts of the case.
- 3.9 If any person is aggrieved by any action on the ground that he is victimized due to filing of the complaint or disclosure, he may file an application before the RBI seeking redressal in the matter. RBI shall take such action, as deemed fit. In case the complainant is an employee of the bank, RBI may give suitable directions to the concerned bank, preventing initiation of any adverse personnel action against the complainant.
- 3.10 Either on the basis of application of the complainant or on the basis of information gathered, if the RBI is of the opinion that either the complainant or the witnesses in the case need protection, the RBI shall issue appropriate directions to the concerned bank.
- 3.11 The system evolved herein shall be in addition to the existing grievances redressal mechanism in place. However, secrecy of identity shall be observed, only if the complaint is received under the scheme.
- 3.12 In case RBI finds that the complaint is motivated or vexatious, RBI shall be at liberty to take appropriate steps.

3.13 In the event of the identity of the informant being disclosed in spite of RBI's directions to the contrary, the RBI shall be authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. RBI may also direct such person or agency to suitably compensate the complainant.

4. *Role and responsibilities of the Bank under the 'Protected Disclosures Scheme' will be as under:*

4.1 The Company Secretary will be the 'Nodal Officer' to attend to the references received from Reserve Bank of India and will ensure that comments / responses after due internal investigation and scrutiny are submitted to RBI without delay.

4.2 Company Secretary will place before the Board of Directors, a review on periodic basis about the complaints received by the Bank under the 'Protected Disclosures Scheme'.

4.3 In the matter of any complaint against Senior Management of the Bank, the Board of Directors keeping, in view seriousness of allegations, may constitute a Committee to carry out the investigation and submission of comments to RBI.

4.4 For ensuring better governance standards and probity / transparency in the conduct of affairs, it is decided that 'Protected Disclosures Scheme' be placed on the website of the Bank. This will facilitate awareness amongst employees, customers, and stakeholders of the Bank.
