

## Inter Office Memorandum

Ref. No. : StCB (HO)/Vig./242/ 9730 /2023-24

Dated: 8<sup>th</sup> December 2023

For : All the Branches & Controlling Offices, HPStCB

From: The General Manager (A), HPStCB, Head Office, Shimla

**Head Office General Circular No. 180 /2023-24**

### **Whistle Blower Policy**

With the objective to ensure highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within the Bank, 'Whistle Blower Policy' has been formulated by the Bank and approved by BoD vide resolution No. 13 dated 18.11.2023.

The policy aims to establish an internal mechanism for staff members to report to management or concerns about unethical behaviour, actual or suspected fraud or violation of the Bank's Code of Conduct. It also provides necessary safeguard and protection to the employees who disclose the instances of unethical practices/behaviour observed in the Bank.

The Branches and controlling offices are advised to take note of the policy.

  
**General Manager (A)**

Enclosures: Whistle blower Policy

Endt. No. : HPStCB(HO)/Vig./242/ /2023-24

Dated: December 2023

Copy forwarded for information and necessary action to:-

1. The General Manager (Banking) & the Deputy General Managers at Head Office
2. The AGMs and Section Incharges at Head Office
3. The Principal, ACSTI Sangti, Summerhill, Shimla
4. PS to the Managing Director in compliance to BoD resolution no. 13 dated 18.11.2023.
5. PS to the Chairman Bank.

  
**General Manager (A)**



**hpsc**  
(Scheduled Bank)

हिमाचल प्रदेश राज्य सहकारी बैंक सीमित  
H.P. State Co-operative Bank Ltd.

## Whistle Blower Policy

[www.hpsc.com](http://www.hpsc.com)

## **WHISTLE BLOWER POLICY**

### **1. OBJECTIVE**

The objective of 'Whistle Blower Policy' is to ensure highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within the Bank. In terms of Policy, an internal mechanism is established for staff members to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Bank's Code of Conduct Policy. The Policy is intended to encourage all employees of the Bank to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviours or practices by staff members without fear of retribution. The employees can voice their concerns on irregularities, malpractices and other misdemeanours through this policy. It also provides necessary safeguard and protection to the employees who disclose the instances of unethical practices/behaviour observed in the Bank.

### **2. DEFINITIONS**

The definitions of some of the key terms used in this policy are given below:

**Whistle Blower:-** The Employees of the Bank making the disclosure under this policy.

**Designated Officer:-** General Manager (Admn.) of the Bank.

Following Officers will provide assistance to Designated Officer for implementing Whistle Blower Policy

1. **DGM (Vigilance):** Assist in assigning inquires and maintaining record of disclosure/complaints.
2. **AGM (Establishment):** Provide assistance to Designated Officer for verification of identification of the whistle blower.

**Employees:-** All employees of the Bank, including officers/officials and sub staff regular or temporary.

**Disclosure:-** Any communication, whether by letter/email/ over telephone, relating to unethical practice or behaviour, made in good faith by the Whistle Blower.

**Reviewing Authority:-** Managing Director Bank, H.O. The Mall, Shimla for all staff members posted at H.O./DOs/branches/ACSTI etc. Upon receiving the remarks and

recommendation, he may take a view on closure of the complaint or forward the same to the concerned department for initiation of disciplinary proceedings.

**Appropriate Departmental Action:-** Departmental action as per the applicable service rules of the Employees/Officers.

**Investigators** mean any person(s) duly appointed/consulted by the Designated Officer to conduct an investigation under this policy.

### **3. COVERAGE**

**All categories of employees of the Bank posted at H.O./D.O./Branch Offices/ACSTI etc. are covered under this Policy.** The Policy covers malpractices and events which have taken place/suspected to have taken place in the Bank involving.

- Corruption
- Frauds
- Misuse/abuse of official position.
- Manipulation of data/documents.
- Any other act of an employee which affects the interest of the Bank adversely and has the potential to cause financial or reputational loss of the Bank.

The details in the complaint should be specific and verifiable.

### **4. EXCLUSIONS**

Decisions taken by the committees established by the bank and Policy decisions of the Bank shall be outside the purview of this Policy.

### **5. REPORTING MECHANISM**

*The Fraud Monitoring Department /Vigilance Cell at H.O.* will arrange to circulate name, telephone number and e-mail address of the **Designated Officer** i.e. General Manager (Admn.) in the Bank to enable the "Staff Members" to register their complaints under Whistle Blower Scheme. Any employee/officer willing to disclose information may do so in any of the following manner:-

- In writing on prescribed format **Annexure-II**, duly addressed to the **Designated Officer** in a sealed envelope specifically superscribed in Capital letters "**DISCLOSURE UNDER WHISTLE BLOWER POLICY**".

- ii. The envelope containing the complaint has to be sent to the **Designated Officer** i.e. General Manager (Admn.) H.O. The Mall, Shimla – 171001, **written on envelop as confidential.**

The Whistle Blower may submit his application directly to Chairman Bank in exceptional or appropriate cases only (i.e. if complaint is against **Designated Authority** and **Reviewing Authority.**), Chairman Bank may forward the application to the Reviewing Authority/Designated Authority as the case may be with directions/observation to take appropriate action.

- iii. Proper proof of identity/contact numbers/address of whistle blower must be enclosed. In case identity cannot be ensured, the complaints will be treated as anonymous/pseudonymous complaints, and may not attract further action.
- iv. Complaints can also be sent to the Designated Officer i.e. General Manager (Admn.) on designated e-mail ID created for the purpose from the official e-mail ID of the employee with proper details.
- v. Disclosures can also be made over a dedicated telephone number of Designated Officer i.e. General Manager (Admn.). The Whistle Blower would however, be required to disclose his identity and furnish sufficient information for verifying his identity by the **Designated Officer**. However, complaint has to be shared on designated e-mail ID also, so that Designated Officer could keep the record of the complaint.
- vi. The disclosure whether by letter/email/telephone should provide specific and verifiable information in respect of the "**Subject-Branch/Employee**"
- vii. Designated officer will verify the identity of whistle blower from establishment section and retain the first page **Annexure-II (A)** containing the whereabouts of Whistle Blower in his custody.

## **6. CONFIDENTIALITY MECHANISM OF WHISTLE BLOWER:**

- i. The complaints received under Whistle Blower on the prescribed format **Annexure-II** will be opened by the addressee only.
- ii. Upon receipt of complaint, the **Designated Officer** will enter the particulars of complaint in the register **Annexure-II (A)** and allot a code number on all the pages of the complaint. The first page containing the identification of Whistle



Blower along with the envelope will be retained with the custody of **Designated Officer**. The **Designated Officer** will strive to ensure that identity of Whistle Blower is not disclosed. The register as per **Annexure -II (A)** will be confidential and retained with the Designated Officer only.

- iii. The subsequent pages **Annexure -II (B)** containing the details of Whistle Blower case will be discussed with and handed over to DGM Vigilance. Depending upon the nature of disclosure and its gravity further course of action for handling the complaint be decided or Appoint/authorize any official to conduct an investigation under this Policy.
- iv. The particulars of the complaint will be recorded in the prescribed register **Annexure-II (B)** by DGM Vigilance.

## **7. PROTECTION TO WHISTLE BLOWER**

- i. The Bank will protect the confidentiality of the complainants and their names/identity will not be disclosed except as statutorily required under law.
- ii. No adverse penal action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. It will be ensured that the Whistle Blower is not victimized for making the disclosure.
- iii. In case of victimization in such cases, serious view will be taken including departmental action on such persons victimizing the Whistle Blower.
- iv. Identity of the Whistle Blower will not be disclosed to the Investigating Officer/Official.
- v. If any person is aggrieved by any action on the ground that he is being victimized due to the fact he had filed a complaint or disclosure, he may file an application before the Reviewing Authority *i.e Managing Director Bank* seeking redressal in the matter, wherein the Reviewing Authority may give suitable directions to the concerned person or the authority.
- vi. To protect the interest of the Whistle Blower for any adverse reporting in Annual Appraisal/Performance Report, he/she may be given an option to request for a review of his/her Annual Report by the next higher Authority of

the Reviewing Authority of his/her Report within three (03) months after the closure of relevant financial year ending 31<sup>st</sup> March.

#### **8. DISQUALIFICATIONS FROM PROTECTION**

- i. Whistle Blowers, who make any disclosures, which have been subsequently found to be malafide or frivolous or malicious shall be liable to be prosecuted and appropriate disciplinary action will be taken against them under Service Rules/bipartite settlements only when it is established that the complaint has been made with intention of malice.
- ii. Protection under the scheme would not mean protection from departmental action arising out of false or bogus disclosure made with malafide intention or complaints made to settle personal grudges.
- iii. The policy does not protect an employee from an adverse action which occurs independent of his disclosure under this policy or for alleged wrongful conduct, poor job performance, any other disciplinary action, etc, unrelated to a disclosure made pursuant to this Policy.

#### **9. MECHANISM FOR ACTION/REPORTING ON SUCH DISCLOSURES**

- i) The designated official shall, on receipt of the complaint, arrange to verify the identity of the Whistle Blower from establishment section.
- ii) Proper record of all disclosures received **Annexure-II (A & B)** shall be maintained as mentioned above under Point no. 6. The action taken against each disclosure shall also be noted and put up to the Reviewing Authority within 7 days of receipt of complaint.
- iii) Only on being satisfied that the disclosure has verifiable information, necessary enquiry/investigation will be done with regard to the complaint. The **Designated Officer** will also have the authority to seek the assistance/support from other departments/offices to conduct enquiry/investigation. The process of investigation will be completed within 45 days of receipt of the complaint.
- iv) Depending upon the nature of disclosure and its gravity, the **Designated Officer** will take a view to take up investigation on a priority basis and fix shorter time frame for its completion.

- v) The identity of the Whistle Blower will not be disclosed to the Officers/Officials conducting the enquiry/investigation. In case additional information is required to be collected from the Whistle Blower, it will be through the **Designated Officer**.
- vi) The inquiry/investigation shall be conducted in a fair manner and provide adequate opportunity for hearing to the affected party under neutral justice.
- vii) A time frame of maximum 45 days will be permitted to complete the investigation/enquiry. In case the same cannot be completed within the stipulated period, interim report should be mandatorily submitted by the Investigating Officer, giving, inter-alia the tentative date of completion.
- viii) In case the disclosure made does not have any specific and verifiable information, the **Designated Officer** will be authorized not to take any action, after recording the entry with the approval of Managing Director.
- ix) Roles and Responsibilities of **Designated Authority** and **Reviewing Authority-Annexure I (A)**
- x) Workflow Chart-**Annexure I (B)**.
- xi) **REVIEW OF STATUS REPORT**
  - i. Functioning of the Policy/Scheme will be reviewed by the Reviewing Authority on half yearly basis.
  - ii. The **Designated Officer** shall submit a status report on the prescribed format (**Annexure-III**) to the Reviewing Authority and any other information relating to the disclosures received under the Whistle Blower Scheme on half yearly basis. The status report would include the following:-
    - a. The status of the disclosure received during the present and prior period and the action taken thereon.
    - b. The special areas which need focused attention.
    - c. The nature of disclosures made and their Circle wise distribution.
- xii) **IMPLEMENTATION OF THE POLICY**

The Fraud Monitoring Department/ Vigilance Cell at H.O. will ensure that the revised Policy is known to all employees.

This Policy can be changed, modified, rescinded or abrogated at any time by the Bank.



## **Annexure-I(A)**

### **ROLES AND RESPONSIBILITIES:**

#### **Designate Authority : General Manager (Admn.)**

1. Encourage all employees of the Bank to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviours or practices by staff members without fear of retribution.
2. The Designated Authority will be the focal point to receive the complaint from Whistle Blower.
3. Ensure that the identity of Whistle Blower is not disclosed. It also provides necessary safeguard and protection to the employees who disclose the instances of unethical practices/behavior observed in the Bank.
4. Appoint/authorize any official to conduct an investigation under this Policy and submit the report to Designated Authority.
5. On the basis of investigation report, Designated Authority will forward the same to Reviewing Authority with his/her remarks and recommendations for further action.
6. The Designated Officer shall submit a status report on the prescribed format (**Annexure-III**) to the Reviewing Authority and any other information relating to the disclosures received under the Whistle Blower Scheme on quarterly basis.

#### **REVIEWING AUTHORITY: Managing Director Bank**

1. Functioning of the Scheme will be reviewed by the Reviewing Authority on half yearly.
2. Upon receiving the investigation report along with Designated Authority's remarks and recommendations, Reviewing Authority may take a view on closure of the complaint or forward the same to the concerned department for initiation of disciplinary proceedings.
3. If any person (Whistle Blower) 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 the Reviewing Authority, seeking redressal in the matter, wherein the Reviewing Authority may give suitable directions to the concerned person or the authority.

**Annexure – I (B)**

**WORKFLOW CHART**

**Whistle Blower**



She/he will submit complaint form to designated authority on the prescribed format along with all supporting documents of the case.

(the Whistle Blower may submit his/her application directly to the chairman of Audit Committee of Board (ACB) in exceptional or appropriate cases only.

**Designated Authority**



The designated authority shall, on receipt of the complaint, arrange to verify the identity of the Whistle Blower.

Only on being satisfied that the disclosure has verifiable information, investigator will be appointed and entrusted for investigation.

**Investigator**



Investigator will investigate into the matter and submit his/her report to the designated authority within 45 days of receipt of complaint.

**Designated Authority**



Report with suitable remark & recommendation will be submitted to Reviewing Authority for closure or for initiation of disciplinary proceedings.

**Reviewing Authority**



If allegations made in disclosure are substantiated, Reviewing Authority will take decision on appropriate departmental action as per service condition.

The Fraud Monitoring Department/ Vigilance Cell at H.O. shall submit consolidated status report of the Bank to the Audit Committee of the Board (ACB) on half yearly basis.

**Audit Committee of the Board (ACB)**



The Audit Committee of the Board (ACB) will review the status report submitted by the Fraud Monitoring Department/ Vigilance Cell at H.O. on half yearly basis and place their observation/direction for taking corrective measures to prevent recurrence of such events in future.

**Annexure-II**

**WHISTLE BLOWER COMPLAINT FORM**

|         |  |                          |  |                                |  |
|---------|--|--------------------------|--|--------------------------------|--|
| Code No |  | Date of filing complaint |  | Initial of Designated Official |  |
|---------|--|--------------------------|--|--------------------------------|--|

(For use of Designated Authority, Do not write anything above it)

**(FOR THE STAFF POSTED at H.O./DOs/Branches/ACSTI & OTHER BUSINESS GROUP)**

**To**

The Designated Officer- cum - General Manager (Admn.)  
The H.P State Co-op. Bank Ltd.  
H.O. The Mall, Shimla -171001

**Annexure – II(A)**

**PERSONAL INFORMATION OF WHISTLE BLOWER**

1. Name: \_\_\_\_\_
  2. P.F. Index No \_\_\_\_\_ ID Proof\* \_\_\_\_\_
  3. Present Posting Details:  
(a) Branch/Office: \_\_\_\_\_ code: \_\_\_\_\_ Circle: \_\_\_\_\_
- OR**
- (b) Department/Office: \_\_\_\_\_ Address \_\_\_\_\_
  4. Contact Number (R) \_\_\_\_\_ (O ) \_\_\_\_\_  
Mobile No: \_\_\_\_\_ Email Address \_\_\_\_\_
  5. Person(s) against whom the complaint is made: As per enclosed sheet
  6. Detail of Complaint: As per enclosed sheet.

**DECLARATION**

**I declare that the above information is furnished by me under Whistle Blower Policy of the Bank which is true and correct to the best of my knowledge, information and belief.**

\_\_\_\_\_  
**Signature**

**Date** \_\_\_\_\_

**\*Copy of ID Proof must be enclosed along with Complaint Form.**

**Annexure – II(B)**

**WHISTLE BLOWER COMPLAINT**

***(Brief Facts of the Case reported under Whistle Blower)***

|         |  |                             |  |                                   |  |
|---------|--|-----------------------------|--|-----------------------------------|--|
| Code No |  | Date of filing<br>complaint |  | Initial of Designated<br>Official |  |
|---------|--|-----------------------------|--|-----------------------------------|--|

(For use of Designated Authority, Do not write anything above it)

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**Statement of Facts: (Please use extra pages if necessary)**

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**Statement detailing acts of commissions/omissions of the Person(s) against whom disclosure is made: (Please use extra pages if necessary.)**

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**Was this disclosure made to anyone in the past? If yes, when and to whom.**

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**ANNEXURE-III**

**H.P. STATE COOPERATIVE BANK LIMITED**  
**FRAUD MONITORING DEPARTMENT/VIGILANCE CELL**

**STATUS REPORT OF COMPLAINTS RECEIVED UNDER WHISTLE BLOWER**  
**POLICY FOR THE QUARTER ENDING MARCH/JUNE/SEPTEMBER/DECEMBER**

| <b>Review of Whistle Blower Cases</b>   |                                   |                             |   |                         |  |
|---|-----------------------------------|-----------------------------|---|-------------------------|--|
| Opening<br>No. of<br>Complaints<br>as on  | Received<br>during the<br>Quarter | No. of<br>cases<br>rejected | No. of cases<br>where<br>Investigation<br>initiated | No. of cases<br>pending | No. of cases<br>where action<br>taken against<br>whistle blower<br>for malafide. |
|   |                                   |                             |   |                         |  |
| No. of cases where disciplinary action taken against employee under Whistle Blower Policy |                                   |                             |   |                         |  |
| No. of frauds detected under Whistle Blower Policy  |                                   |                             |   |                         |  |
| Major areas of the Bank reported under Whistle Blower Policy                              |                                   |                             |   |                         |  |
|   |                                   |                             |   |                         |  |
| <b>Remedial Action to be taken</b>  |                                   |                             |   |                         |  |
|   |                                   |                             |   |                         |  |

**Signature of Reviewing/Designated Authority**

**Place:**

**Date:**





**hpsc**

(Scheduled Bank)

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H.P. State Co-operative Bank Ltd.

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