



# Policy Document on Protected Disclosures Scheme

16-11-2021



Vigilance Department  
Corporate Headquarters, M.A. Road,  
Srinagar 190001, Kashmir  
Phone: 0194-2502624  
Email: [vigilance@jkbmail.com](mailto:vigilance@jkbmail.com)



## Document Control

Title	Protected Disclosures Scheme	Version No:	1.0
Created By	Vigilance Department	Date of Creation	17-09-2021
Reviewed By	In-House Committee	Date of latest Review	NA
Approved By	Audit Committee of Board	Date of Approval	08-11-2021
Approved By	Board of Directors	Date of Approval	16-11-2021
Date of Next Review			16-05-2023

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## Glossary

Abbreviation/ Acronym	Explanation
CVC	Central Vigilance Commission
RBI	Reserve Bank of India
CMD//MD & CEO	Chairman & Managing Director/ Managing Director & Chief Executive Officer
CIV	Chief of Internal Vigilance
PDS	Protected Disclosures Scheme

## **1. Preamble:**

- 1.1 The Government of India through its Resolution dated 21<sup>st</sup> April, 2004 had authorized the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office by any employee of the Central Government or any corporation established by or under any Central Act, Government Companies, Societies or Local Authorities owned or controlled by the Central Government and recommend appropriate action. The said Resolution is applicable to Central Government and Public Sector Enterprises including Public Sector Banks. As Private Sector Banks were not covered by the cited resolution, so Reserve Bank of India formulated a Protected Disclosures Scheme for Private Sector and Foreign Banks and advised the Private Sector Banks vide its circular bearing reference number DODBS.FrMC.No.BC 5/ 23.02.011/2006-07 dated 18.04.2007 to implement the same.

## **2. Framing of protected disclosure Policy by Banks - Regulatory Guidelines:**

- 2.1. In terms of RBI directions conveyed vide Circular No. DO DBS. FrMC No. BC 5 /23.02.011 /2006-07 dated April 18, 2007, all private sector and foreign banks operating in India have to frame a "Protected Disclosures Scheme" duly approved by their respective Board of Directors. The policy should clearly lay down norms for protection of identity of employees making disclosures under the scheme and safeguarding them from any adverse personnel/reprisal action. Accordingly, our Bank in line with the RBI prescribed framework, devised a Policy Document on the "Protected Disclosures Scheme" which is required to be implemented in the bank.

## **3. The salient features of the scheme:**

### **3.1. Objective:**

- a. As a proactive measure to strengthen financial stability and with a view to enhance public confidence in the financial sector, the Reserve Bank of India introduced a scheme called 'Protected Disclosures Scheme for Private Sector and Foreign Banks' formulated broadly on the lines of Government of India Resolution dated April 21, 2004.

### **3.2. Scope:**

- a. The complaints under the Scheme 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.
- b. Under the Scheme, employees of the bank, customers, stake holders, NGOs and members of public can lodge complaints.

- c. Anonymous/ pseudonymous complaints will not be covered under the Scheme and such complaints will not be entertained.
- d. Reserve Bank of India (RBI) will be the Nodal Agency to receive complaints under the Scheme. RBI would keep the identity of the complainant secret, except in cases where complaint turns out to be vexatious or frivolous, action has to be initiated against the complainant as mentioned at Para (e) below.
- e. 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.
- f. Final action taken by RBI on the complaint will be intimated to the complainant.
- g. The system evolved herein shall be in addition to the existing grievances redressal mechanism and Whistle-Blower Policy Framework (<http://reports.jkb.com/jkbcms/executeLink?linkId=4881>) in place. However, secrecy of identity shall be observed, only if the complaint is received under the scheme.

#### **4. Procedure for lodging complaint:**

- 4.1. The complaint should be sent in a closed/ secured envelope.
- 4.2. The envelope should be addressed to The Chief General Manager, Reserve Bank of India, Department of Supervision, Fraud Monitoring Cell, Third Floor, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400 005. The envelope should be superscripted “Complaint under Protected Disclosures Scheme for Banks”.
- 4.3. 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.
- 4.4. Complaints can also be made to RBI through e-mail [dbspd@rbi.org.in](mailto:dbspd@rbi.org.in) by giving full details as specified above.
- 4.5. The complainant should ensure that the issue raised by him/her involves dishonest intention/ moral angle. He/she should study all the relevant facts and understand their significance. He/she should also make an effort, if possible, to resolve the issue through internal channels in order to avoid making the complaint. 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. 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.
- 4.6. RBI will take necessary action, subject to the facts of the case being verifiable, as provided under the scheme. If any further clarification is required, RBI will get in touch with the complainant.

## **5. Mechanism to deal with the complaint(s) received:**

- 5.1. The complaint(s) referred by Nodal Agency (RBI) to the Bank under the Scheme would be received by the CMD//MD & CEO of the Bank.
- 5.2. The CMD//MD & CEO shall refer such complaint(s) to the CIV of the Bank for further course of action. The CIV based on the merits of the complaint(s) shall decide the action to be taken and will report the progress and result of investigation to CMD//MD & CEO for its onward submission to the Nodal Agency (RBI). The CIV will also communicate to the CMD//MD & CEO of his decision on the investigation report.

## **6. Processing of complaint by the RBI:**

- 6.1. If the complaint is accompanied by particulars of the complainant, the RBI shall take the following steps:
  - a. If necessary, it would ascertain from the complainant whether he/she 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/her 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 seek the comments/ response from the Chairman/ Managing Director/ 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, it 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 to be initiated 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.
    - ❖ Advise the bank to take 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.

## **7. Duties and Responsibilities of CIV under Protected Disclosures Scheme:**

- 7.1. On the basis of the references received from CMD//MD & CEO, the CIV shall decide the manner in which the enquiry/investigation is to be conducted on case to case basis and will record the findings in such cases.
- 7.2. After the enquiry/investigation and on the basis of findings recorded, the CIV shall communicate the details of findings/disposal to the CMD//MD & CEO.
- 7.3. In such complaints where RBI conveys to the Bank, while seeking comments that the complaint was received by the RBI under PDS, the details of such complaint along with Bank's response sent to the RBI shall be placed before the Audit Committee of Board by the CIV on quarterly basis.
- 7.4. On the basis of the scrutiny/enquiry conducted and findings of such investigation, the CIV may recommend to the CMD//MD & CEO of the Bank for appropriate action to be taken including disciplinary action against the erring employees, if any.
- 7.5. Apart from the disciplinary action if the CIV is of the opinion that any further action including criminal proceedings is warranted by the facts and circumstances of the case, the CIV may so recommend to the CMD//MD & CEO the Bank.
- 7.6. The CIV shall ensure the utmost secrecy in all the proceedings and unless for the explicit act by the complainant himself/herself, no disclosure shall be made of the reference made by RBI.

## **8. Protection to the Complainant:**

- 8.1. In case the complainant is an employee of the Bank and the Bank becomes aware of his/her identity for having reported a "Protected Disclosure" in good faith or in overall interests of the Bank, he/she shall be protected and no unfair treatment will be meted out. The Bank, as a policy denounces any discrimination, harassment, victimization or any other unfair employment practice being adopted against its employee(s). Therefore, complete protection shall be given by the Bank to its employee(s) against any unfair practice like retaliation, threat or intimidation of termination /suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or any direct or indirect use of authority to obstruct their right to continue, to perform their duties/functions including, making further Protected Disclosures.
- 8.2. If any person is aggrieved by any action on the ground that he/she is victimised due to filing of a complaint or disclosure, he/she 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 personal action against the complainant.
- 8.3. 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 witness in the case needs protection the RBI shall issue appropriate directions to the concerned Bank.
- 8.4. In the event of the identity of the informant being disclosed inspite of RBI's directions to the contrary, the RBI shall be authorised 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.



## **9. Awareness to Employees:**

- 9.1. A copy of the Policy/Scheme shall be placed/hosted on the intranet portal under “Policies” as well as website of the Bank for information of all concerned. In case of newly recruited employees, they will be provided with a copy of the scheme at the time of entering into the service of the bank. Amendments to the policy will be hosted on the Bank’s website as well intranet page.
- 9.2. Wide publicity to this scheme shall also be ensured through the Bank's House Journal 'Trust' as well as through periodic seminars organised on this theme by the training college of the Bank for the new recruits as well as regular employees.

## **10. Disclosure:**

The Policy framework containing all the salient features of this scheme shall also be brought to the notice of all the employees through internal circulars on Bank’s Intranet and to customers, stake holders, NGOs and members of public through Bank’s website.

## **11. Ownership and Review of Policy Document:**

- 11.1. The policy shall be subject to review and same shall be put up to In-house Committee for necessary vetting. With the recommendations of the Audit Committee of Board, the Policy document shall be placed before Board for final approval.
- 11.2. The Vigilance Department shall be responsible for placing the review of the Policy. Approved revised Policy will remain in force for 18 months or till next review. In case of exigencies and to be in line with regulatory/ statutory guidelines, the CMD//MD & CEO is empowered to approve amendments, if any, required to be made in the policy document and same will be placed before the Board for ratification.



The Jammu and Kashmir Bank Limited  
Corporate Headquarters, M. A. Road,  
Srinagar 190001, Kashmir (J&K)  
[www.jkbank.com](http://www.jkbank.com), [www.jkbank.net](http://www.jkbank.net)