

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:6770  
ANSWERED ON:06.05.2010  
CORPORATE GOVERNANCE STANDARDS IN PSUs  
Lagadapati Shri Rajagopal;Roy Shri Nripendra Nath

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether the Government is planning to put in place a whistle-blower policy in all PSUs with a view to improve the corporate governance standards;
- (b) if so, the details of the proposed policy;
- (c) whether only ONGC and GAIL have a policy to encourage employees to expose wrong-doings in their companies;
- (d) if so, the details thereof;
- (e) the reasons therefor; and
- (f) the steps taken by the Government to encourage other PSUs to implement this policy?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

(SHRI ARUN YADAV)

(a) and (b) : In terms of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Government in 2007, which are voluntary in nature, CPSEs may establish a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud, or violation of the company's General guidelines on conduct or ethics policy.

(c) to (e): All CPSEs have already been advised to establish 'Whistle Blower Policy' listed in para 8 of Annex VIII of Guidelines on Corporate Governance for CPSEs, 2007. Oil and Natural Gas Corporation Limited (ONGC) has voluntarily adopted 'Whistle Blower Policy' with effect from November, 2009 and GAIL (India) Limited is in the process of formulating a 'Whistle Blower Policy'.

(f) : The Government has now decided to make the Guidelines on Corporate Governance for CPSEs mandatory.