

Anti-fraud and corruption policy

Introduction

This Anti-Fraud and Corruption Policy establishes a comprehensive framework for the prevention, detection, and mitigation of fraudulent and corrupt practices at Sarvodaya Ashram. This Policy is an integral part of our commitment to maintaining the highest standards of integrity, ethical conduct, and compliance with all applicable laws and regulations of the Government of India. It serves as a directive for all stakeholders to uphold a culture of honesty and transparency, thereby safeguarding the reputation, assets, and interests of the organization.

Governing Legal and Regulatory Framework

This Policy is in strict compliance with the following key anti-fraud and anti-corruption statutes and regulations in India:

- **The Prevention of Corruption Act, 1988 (PCA):** This foundational legislation criminalizes various forms of corruption by public servants, including bribery, criminal misconduct, and disproportionate assets. While Sarvodaya Ashram is a non-governmental organization, the principles and prohibitions of the PCA serve as a guiding standard for our ethical conduct.
- **The Indian Penal Code, 1860 (IPC):** The IPC contains provisions related to cheating, criminal breach of trust, forgery, and other offenses that constitute fraud. These sections are a critical component of the legal framework and are often invoked in cases of financial impropriety.
- **The Companies Act, 2013:** This Act, particularly **Section 447**, defines and prescribes severe punishments for corporate fraud. The definition is broad, covering any act, omission, or concealment of facts with the intent to deceive or gain an unfair advantage. It mandates that auditors and certain organizations report any suspected fraud above a specified threshold to the central government.
- **The Prevention of Money-Laundering Act, 2002 (PMLA):** The PMLA aims to prevent money laundering and provides for the confiscation of property derived from criminal activities. Fraud and corruption are considered "predicate offenses" under this Act, and any ill-gotten gains are subject to investigation and seizure by the Directorate of Enforcement (ED).
- **The Lokpal and Lokayuktas Act, 2013:** This Act establishes a mechanism for investigating corruption allegations against public functionaries. While primarily for the public sector, its existence underscores the national commitment to an independent and impartial anti-corruption oversight.

This Policy is designed to be fully aligned with these legal requirements, ensuring that Sarvodaya Ashram operates with due diligence and accountability.

Key Principles and Responsibilities

Sarvodaya Ashram adopts a **zero-tolerance** approach to fraud and corruption. The following principles are non-negotiable and apply to all stakeholders:

- **Ethical Conduct:** All individuals associated with the organization are required to act with the utmost integrity, honesty, and fairness. This includes avoiding any conflict of interest, personal gain, or abuse of position.
- **Compliance:** Strict adherence to this Policy, the Code of Conduct, and all applicable laws and regulations is mandatory. Ignorance of the law is not an excuse.
- **Proactive Prevention:** Prevention is the primary goal. We will implement robust internal controls, conduct regular risk assessments, and promote a culture where ethical behavior is not just expected but actively celebrated.

Reporting and Investigation Protocol

Sarvodaya Ashram is committed to creating a safe and confidential environment for reporting.

- **Reporting Channels:** Stakeholders are encouraged to report any concerns regarding fraud, corruption, or other violations of this Policy through designated, confidential channels, which include:
 - A secure, confidential email address.
 - Direct reporting to a designated senior management or board member.
 - Written reports submitted in a sealed envelope to a designated office.
 - **Whistleblower Protection:** The organization is dedicated to protecting whistleblowers who make good-faith reports. **Retaliation, intimidation, or harassment** against a whistleblower is strictly prohibited and will result in severe disciplinary action. This protection is a core tenet of this Policy, in line with the principles of the **Whistleblowers Protection Act, 2014**.
 - **Investigation Process:** Upon receiving a report, a thorough, impartial, and prompt investigation will be conducted by a designated committee. This committee, headed by the Management and Board members, will be responsible for:
 - Assessing the credibility of the allegations.
 - Collecting and preserving evidence.
 - Interviewing all relevant parties with due respect for their rights.
 - Documenting the investigation findings and making recommendations for corrective action.
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Disciplinary and Legal Actions

Violations of this Policy will be met with decisive and proportionate action.

- **Disciplinary Measures:** Any stakeholder found to have violated this Policy will be subject to disciplinary action, which may include:
 - Formal warning.
 - Suspension of duties.
 - Termination of employment or contract.
 - Demotion.
 - Legal action to recover any financial losses suffered by the organization.
 - **Legal Cooperation:** Sarvodaya Ashram will cooperate fully with law enforcement and regulatory authorities in India, including the Central Bureau of Investigation (CBI) and the ED, in the investigation and prosecution of fraudulent and corrupt activities. We will not hesitate to report serious offenses to the appropriate authorities, as mandated by law.
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Training and Awareness

To ensure the effectiveness of this Policy, Sarvodaya Ashram will implement regular training and communication initiatives.

- **Training Programs:** Periodic training sessions will be conducted for all stakeholders. These programs will cover:
 - The importance of ethical conduct.
 - Understanding the legal definitions of fraud and corruption.
 - Recognizing and reporting red flags.
 - Proper use of reporting channels and whistleblower protection.
 - **Communication:** We will use various channels, such as internal newsletters, official memorandums, and meetings, to regularly communicate the Policy and any updates to reinforce the organization's unwavering commitment to a transparent and ethical environment.
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Definitions

- **Fraud:** Any intentional act or omission designed to deceive, manipulate, or gain an unfair advantage, resulting in financial loss, reputational damage, or harm to the organization. This includes, but is not limited to, theft, embezzlement, falsification of records, and misuse of organizational assets.
- **Corruption:** The abuse of entrusted power for private gain. This encompasses a broad range of unethical practices, including bribery (both giving and receiving),

extortion, nepotism, and the improper use of one's position to influence decisions for personal benefit.

- **Whistleblower:** An individual who makes a good-faith report of concerns, suspicions, or evidence of fraud or corruption within the organization. The identity of the whistleblower will be protected to the maximum extent permitted by law, and they will be shielded from retaliation.

Conclusion

This Policy represents a solemn commitment by Sarvodaya Ashram to uphold the highest ethical standards. All stakeholders are expected to not only familiarize themselves with its principles but to actively champion them. By working together, we can ensure that our organization remains a beacon of integrity and a model of ethical conduct in the service of our mission. Violations will be addressed with the utmost seriousness to protect the institution's reputation and integrity.

