

NMDC STEEL LIMITED

**Regd. Office: C/O NMDC Iron & Steel Plant, Post: Nagarnar,
District Bastar, Pin – 494001, Chhattisgarh.**

WHISTLE BLOWER POLICY

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1. Preface:

- 1.1** NMDC Steel Ltd. being a listed company has to comply with the provisions of SEBI LODR Regulations, 2015 dealing with Corporate Governance provisions. In terms of provisions of the Companies Act and SEBI LODR Regulations, 2015 as amended from time to time, the company is required to establish a vigil mechanism for Directors and employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. Once established, the existence of the mechanism is required to be appropriately communicated within the organization;
- 1.2** The Department of Public Enterprise, Government of India has issued guidelines on Corporate Governance for Central Public Sector Enterprises 2010. Annexure-VII of the DPE Guidelines on Corporate Governance 2010 also provides for company to have a Whistle Blower Policy identical to the lines of SEBI Regulations. The said guidelines of DPE inter alia provides that the role of Audit Committee shall inter alia include review of functioning of the Whistle Blower Mechanism;
- 1.3** This policy is basically formulated to provide an opportunity to employees and an avenue to raise concerns and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open and transparent communication, in case they observe unethical and improper practices, procedures or any other wrongful conduct or practices in the Company, to establish and provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against such employees under reference;

- 1.4 The basic objective is to provide necessary and adequate safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith and intention and to provide opportunity to employees to access in good faith, to the Audit Committee in case they observe unethical and improper practices, procedures or any other wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against such employees under reference;
- 1.5 However, it is clarified that a disciplinary action against the Whistle Blower which occurs on account of poor or unsatisfactory job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower, shall not be protected under this policy;
- 1.6 For the sake of abundant caution and for the sake of absolute clarity, it is specified that the Whistle Blower Policy does not in any way tantamount to dilution of the existing Vigilance mechanism / procedure in NMDC Steel Ltd. Rather, over and above the existing Vigilance mechanism / procedure, any Protected Disclosure made by an employee under this policy, if perceived to have a vigilance angle, shall be referred to the Chief Vigilance Officer (CVO), NMDC Steel Ltd., as per the existing practice.

2. **Definitions:**

- 2.1 “**NSL**” means NMDC Steel Limited.
- 2.2 “**Audit Committee**” means the Audit Committee of the Board constituted by the Board of Directors of NMDC Steel Ltd. in accordance with provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015;
- 2.3 “**Competent Authority**” means the Chairman & Managing Director of NMDC Steel Ltd. and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time as may be required. In case of conflict of interest (CMD being the subject person), Competent Authority means Chairman – Audit Committee, NMDC Steel Ltd.;

- 2.4** “**Employee**” means an employee as defined in the NMDC Steel Limited – Conduct, Discipline and Appeal Rules;
- 2.5** “**Improper Activity**” means unethical behaviour, actual or suspected fraud or violation of the company’s general guidelines / rules on conduct by any employee of NMDC Steel Ltd.;
- 2.6** “**Investigators**” mean those persons authorized, appointed, consulted or approached by the Chairman & Managing Director / Competent Authority in connection with conducting investigation into a protected disclosure and include the Auditors of NMDC Steel Ltd.;
- 2.7** “**Protected Disclosure**” means any communication that discloses or demonstrates information that may be treated as commission of “Improper Activity”;
- 2.8** “**Policy**” means NMDC Steel Limited Whistle Blower Policy;
- 2.9** “**Rules**” means the Rules and Regulations of NMDC Steel Limited as in existence from time to time’
- 2.10** “**Screening Committee**” means a Committee constituted under Whistle Blower Policy of NMDC Steel Ltd., comprising, the Chairman & Managing Director or in his absence, a Functional Director as nominated by CMD and Chairman, Audit Committee or in his absence, a member of the Audit Committee as nominated by the Chairman, Audit Committee;
- 2.11** “**Subject**” means an employee - officer / staff against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation;
- 2.12** “**Whistle Blower**” means an Employee making a Protected Disclosure under this policy;
- 2.13** “**Nodal Department**” – Vigilance Department shall be the Nodal Department for overseeing smooth and effective implementation of the Whistle Blower Policy in NMDC Steel Ltd.

3. Eligibility

All employees of NMDC Steel Limited are eligible to make “Protected Disclosures” as per the Whistle Blower Policy.

4. Guiding Principles

- 4.1 Protected disclosures shall be acted upon promptly and in a time bound manner;
- 4.2 Complete confidentiality of the Whistle Blower will be maintained;
- 4.3 The Whistle Blower and / or the person(s) processing the Protected Disclosure will not be subjected to victimization of any nature whatsoever;
- 4.4 Evidence of the Protected Disclosure will not be concealed, damaged or destroyed by the subject(s) or any employee and appropriate action including disciplinary action will be taken in case concealment or destruction evidence is made;
- 4.5 'Subject' of the Protected Disclosure i.e. the Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard and to put forward his case;
- 4.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest of any improper activity or practice / procedure. Although they are not required to provide proof, they must have sufficient cause for concern;
- 4.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

5. Whistle Blower – Role & Protections

Role of Whistle Blower:

- 5.1 The Whistle Blower's role is that of a reporting party with reliable information as available with him;
- 5.2 The Whistle Blower is not required or expected to conduct any investigations on his own;
- 5.3 The Whistle Blower may at his request, be associated with the investigations, if the case so warrants. However, he shall not have a

- right to participate;
- 5.4** The Whistle Blower, if he desires so, may give evidence to the Improper Activity;
- 5.5** Protected Disclosure will be appropriately dealt with by the Competent Authority as per the Policy;
- 5.6** The Whistle Blower shall have a right to be informed of the disposition of his disclosure so made except for overriding legal or other reasons.

Protections to Whistle Blower:

- 5.7** Genuine Whistle Blowers will be accorded protection from any kind of harassment / unfair treatment / victimization. However, motivated and frivolous disclosures shall be discouraged. The CVO should report promptly to the Commission, the details of any real or perceived victimization;
- 5.8** If the Whistle Blower chooses to give evidence as at 5.4. NMDC Steel Ltd. will make arrangements for the Whistle Blower to receive necessary advice about the procedure. Expenses incurred by the Whistle Blower in connection with the above, towards travel etc. will be reimbursed as per Rules of the Company;
- 5.9** A Whistle Blower may report any violation of clause 5.7 above to the Competent Authority who shall investigate into the same and take corrective steps as may be required;
- 5.10** Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

6. Procedures – Essentials And Handling of Protected Disclosure:

- 6.1** The Protected Disclosure / Complaint should be attached to a letter bearing the identity of the whistle blower / complainant i.e. his/her Name, Employee Code Number and Location, and should be inserted in an envelope which should be properly **closed / secured / sealed**. The envelope thus secured / sealed should be addressed to the CVO and should be superscribed on the top **“Protected Disclosure”**. (If the envelope is not superscribed and closed / sealed / secured, it will not

be possible to provide protection to the whistle blower as specified under this policy);

- 6.2** The Whistle Blower is at the liberty to send the Protected Disclosure to the Competent Authority. If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he may send his Protected Disclosure directly to the Audit Committee, NMDC Steel Ltd.;
- 6.3** Anonymous or pseudonymous Protected Disclosure shall not be entertained;
- 6.4** Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment / posting of the whistle blower and should provide a clear and precise understanding of the Improper Activity involved or issues / concerns raised. The reporting should be reasonably specific and clear, so that an investigation into it can be made;
- 6.5** Investigations into any Improper Activity which is the subject matter of an inquiry or order under the Public Servants' Inquiries Act, 1850 or under the Commissions of Inquiry Act, 1952 will not come under the purview of this policy;
- 6.6** The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:
- The Chairman & Managing Director,
Competent Authority,
Whistle Blower Mechanism
NMDC Steel Ltd.
c/o NMDC Iron & Steel Plant, Post: Nagarnar,
District Bastar,
Chhattisgarh - 494001.
- 6.7** The contact details for addressing a protected disclosure to the Chairman, Audit Committee are as follows:
- Chairman, Audit Committee
C/o Chief Vigilance Officer (CVO)
NMDC Steel Ltd.
c/o NMDC Iron & Steel Plant, Post: Nagarnar,
District Bastar,

Chhattisgarh - 494001.

- 6.8** The Competent Authority shall mark the envelope containing the Protected Disclosure to the CVO for taking necessary action;
- 6.9** The Screening Committee shall after its review, weed out frivolous complaints and the Protected Disclosure(s) which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section;
- 6.10** The Screening Committee shall endeavour to meet as early as possible, preferably within 20 days of receipt of a Protected Disclosure.

7. Investigations and Role of Investigators

Investigation:

- 7.1** Investigations shall be launched if the Screening Committee is prima facie satisfied after its preliminary review that:-
- (a) The alleged act as informed constitutes an improper or unethical activity or conduct or procedure and
 - (b) The allegation is supported by information and fit enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves proper investigation.
- 7.2** The decision taken by the Screening Committee to conduct an investigation on the issue under reference is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process;
- 7.3** The identity of the Subject(s) and the Whistle Blower will be kept confidential;
- 7.4** Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities to defend himself / themselves;
- 7.5** Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise

self-incrimination protections available under the laws as may be applicable;

7.6 Subject(s) have a responsibility not to interfere with the investigation process. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject(s) in any manner whatsoever;

7.7 The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded in writing. However, the entire process shall be completed within a period of 90 days including extension period, if granted;

7.8 The subject(s) will be given a reasonable opportunity to respond to material findings contained in the investigation reports. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good and compelling evidence in support of such allegations;

7.9 The Subject(s) will be given a reasonable opportunity to respond to material findings contained in the investigation report.

Role of Investigator(s):

7.10 Investigator(s) are required to conduct the process towards fact- finding and analysis. Investigator(s) shall derive their authority from Competent Authority when acting within the scope and ambit of their investigation. The Investigator(s) shall submit his / their report to the Competent Authority.

7.11 All Investigators shall perform their role in an independent fair and unbiased manner. Investigators should have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of highest degree of professional standards.

8. Action

8.1 If the Nodal Department i.e. the CVO is of the opinion that the investigation so conducted discloses the existence of improper activity which is an offence punishable in law, the Competent Authority may direct the concerned authority to take action under applicable statutory provisions of NMDC Steel Ltd. for appropriate action as per existing Rules; including actions like prosecution, lodging FIR etc. depending

on its nature.

8.2 The Competent Authority shall take such other remedial action as may be considered deemed fit to remedy the improper activity mentioned in the protected disclosure and /or to prevent the re-occurrence of such improper activity;

8.3 If the investigation so conducted discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.

9. Reporting and Review

The Competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted, and of the action taken to the Audit Committee for review. The said quarterly report shall also be put up to the Board for their information.

10. Notification

It is required to notify and communicate the existence and contents of the Whistle Blower Policy to the employees. The Whistle Blower Policy shall be prominently displayed on all the Notice Boards of the Company and also circulated to all recognized unions. The policy shall also be available on the intranet portal of the company;

11. Annual Affirmation

The Company shall annually affirm that it has not denied any employee access to the Audit Committee and that it has provided protection to the Whistle Blower from any adverse action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

12. Amendments

The proposal for any modification in the policy shall be submitted by the CVO through CMD, NMDC Steel Ltd. to Audit Committee. The Audit Committee after examining the proposals on its merits may forward it to the Board for approval along with its comments.