

एनएमडीसी लिमिटेड  
(भारत सरकार का उद्यम)

**NMDC Limited**  
(A GOVT. OF INDIA ENTERPRISE)



पंजीकृत कार्यालय : खनिज भवन, 10-3-311/ए,  
कैसल हिल्स, मासाब टैंकल, हैदराबाद - 500 028

Regd. Office : 'Khanij Bhavan' 10-3-311/A,  
Castle Hills, Masab Tank, Hyderabad-500 028  
सीआईएन CIN : L13100AP1958GOI001674

ED/EPS/GC/03  
20.07.2018

Dear Stakeholders,

As you are aware, UN Global Compact's governance framework is the world's largest sustainability initiative. It is a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

The UN Global Compact provides a universal language for corporate responsibility and provides a framework to guide all businesses regardless of size, complexity or location.

The Member States of the United Nations in September 2015 laid a path for the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of "Agenda 2030" are the 17 Sustainable Development Goals (SDGs) which clearly define the world we want — applying to all nations and leaving no one behind.

The new Global Goals result from a process that has been more inclusive than ever, with Governments involving business, civil society and citizens from the outset. Fulfilling these ambitions will take an unprecedented effort by all sectors in society — and business has to play a very important role in the process. Responsible business practices, combined with collaboration and innovation, can bring about powerful change in markets and societies — proving that principles and profits go hand in hand.

NMDC has in the past contributed actively through its' responsible business practices towards achieving the Ten Principles of UN Global Compact and want to play an important role in coming years to support them. I call upon you to be an active partner in our endeavor to support the UN Global Compact and its principles.

With warm regards,

Yours sincerely,

**N Baijendra Kumar**  
Chairman – Cum – Managing Director

## **Principle 1: Business should support and respect the protection of internationally proclaimed human rights.**

### **Commitment**

Being a Government of India company, NMDC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human Rights. NMDC stands committed to support and respect the protection of internationally proclaimed human rights.

### **Systems**

Though there is no specific provision as such for human rights in the Manual on Personnel Management of the company, the sub-stratum of the Manual ensures that its employees enjoy the fundamental human rights.

NMDC has in its management system provisions for health, safety, housing and education. Comprehensively covering all these aspects, NMDC has appropriate systems in place.

### **Actions**

#### **Health**

- NMDC gives full and free medical care to its employees and the eligible members of their families.
- Under the NMDC Contributory Scheme for post-retirement medical facilities, the retired employees and their spouses get medical care for a nominal life-time membership.

#### **Safety**

- Being basically a mining organization, NMDC attaches greater importance for safety of the employees. In its mining projects, NMDC has its own Training Centres equipped with the infrastructure as required under the Mines Vocational Training Rules. These centres cater to the needs of basic training, refresher training, and training for skilled trades and also for those injured on duty.
- Sufficient number of workmen inspectors are nominated/appointed for mining operations, mechanical installations and electrical installations in terms of the statutory requirement
- Occupational Health Centres have been provided in the projects.
- Doctors have been given specialized training in occupational health.
- Periodical medical examinations of employees are done in accordance with the prescribed schedule.
- Safety appliances such as safety shoes, helmets, rain suits, goggles, etc, are provided to employees periodically.
- Every month safety committee meetings are conducted and accident analysis is discussed and remedial measures implemented.

#### **Housing**

- NMDC provides accommodation for the employees and the members of their families on nominal rents.

- NMDC provides house building advances for its employees to build their own houses at such locations in India as suitable to them.

## Education

- NMDC trains its employees regularly to update themselves, professionally, managerially and technically.
- NMDC encourages its employees to better their educational and professional qualification by giving suitable incentives, study leave, etc.
- NMDC takes care of the school education of the employees' children in its projects and gives incentives and scholarships for their higher education. As its projects are located in remote areas, NMDC has arranged for quality schooling facilities at the projects itself.
- The schooling facilities available at the project are extended to the children of the surrounding villages as well.

## Performance during the year 2017-18

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 1.13 Mandays lost on account of accidents were 196
- Housing has been extended to all its employees. In addition, house building advances were given to 12 employees (cumulatively to 2292 employees).
- Training coverage is 76.49% of employees. Training mandays as % of working mandays is 3.59.
- Basic education has been extended to 100% of the employees' children.
- Recognizing the meritorious service rendered by the employees, NMDC has awarded suitable mementos to (a) 144 employees (cumulatively 7862) who have rendered 20 years' service; (b) 114 employees (cumulatively 6478) who have rendered 25 years' service; (c) 83 employees (cumulatively 5771) who have rendered 30 years' service (d) 99 employees (cumulatively 1960) who have rendered 35 years' service by organizing suitable function.
- 159 employees (cumulatively 5016) who retired from the Company were given service certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 129 employees (cumulatively 2020) who retired after putting in 30 years' service in Government/ PSUs were awarded special mementos.

## **Principle 2: Business should ensure that they are not complicit in human rights abuses.**

### **Commitment**

Being a Government of India company, NMDC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also supports the fundamental human rights as envisioned in the Universal Declaration of Human Rights. NMDC stands committed to protecting human rights in its workplaces.

### **Systems**

- NMDC, being a Government company, has come to inherit the Government regulations and, therefore, protecting human rights and ensuring that it is not complicit in human rights abuses, is a natural extension to all its policies and programmes.
- The security arrangement in the mines of the company is given to the Central Industrial Security Force (a Government arm), who owes equal allegiance to the Constitution of India and is duty bound to protect human rights.
- A Grievance Redressal procedure is in vogue.
- A separate Committee for redressal of grievances of women employees in particular has been constituted.
- NMDC has recognized Scheduled Caste/Scheduled Tribe Associations in each of its units and corporate office.

### **Actions & Performance during the year 2017-18**

No case of human rights violation has been reported during the year.

### **Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

#### **Commitment**

NMDC stands committed to the protection of freedom of association among its employees and business partners.

#### **Systems**

NMDC has three layers of employees: workmen, supervisors and executives.

1. Workmen, who are mostly location specific, have their own Unions. More than one Union are functioning in each of the main units. Besides their affiliations to national bodies, cutting across such affiliations to central organizations, majority of the Unions at project level have formed an independent apex body called All-India NMDC Workers' Federation (AINMDCWF) positioned at the corporate office at Hyderabad. All these Unions have been given assistance by the Management as considered necessary for their functioning.

The details of such affiliated Unions, unit-wise, are given below:

- a Bailadila Iron Ore Mine, Kirandul Complex
    - i Samyuktha Khadan Mazdoor Sangh (SKMS) affiliated to All India Trade Union Congress (AITUC).
    - ii Metal Mine Works Union (MMWU) affiliated to Indian National Trade Union Congress (INTUC)
  - b Bailadila Iron Ore Mine, Bacheli Complex
    - i Samyuktha Khadan Mazdoor Sangh (SKMS) affiliated to AITUC
    - ii Metal Mine Workers Union (MMWU) affiliated to INTUC
  - c Donimalai Iron Ore Mine
    - i. Donimalai Iron Ore Project Employees Association (DIOPEA) affiliated to AITUC
    - ii Metal Mine Workers Union (MMWU) affiliated to INTUC
  - d Diamond Mining Project.
    - i Panna Hira Khadan Mazdoor Sangh (PHKMS) affiliated to BMS
    - ii Madhya Pradesh Rashtriya Heera Khani Mazdoor Sangh (MPRHKMS) affiliated to INTUC
2. NMDC is totally committed to workers' participation in the management. In pursuit of such commitment, Committees/Councils, both statutory and non-statutory, are functioning at the shop level, project level and at corporate level with equal number of representatives of the management and the Unions.
  3. Supervisors and Executives have their own associations at unit level and at the corporate office.

## **Actions**

Decisions related to workmen such as wage settlement, incentives, bonus, line of promotions, working conditions, welfare measures, etc are taken in consultation with the representatives of unions/ Associations, both at the unit level and at the corporate level.

## **Performance during the year 2017-18**

- All the workmen are subject to collective bargaining agreements and the supervisors and executives are governed by understanding/consultations.
- No man days were lost during the year because of rift or strike by employees due to the effectiveness of Collective Bargaining.
- The unanimous decisions taken at the Joint Committees are implemented and monitored.

**Principle 4: Business should support the elimination of all forms of forced and compulsory labour.**

**Commitment**

NMDC stands committed not to resort to any form of forced and compulsory labour.

**Systems**

- No employee is required to deposit any sum of money for employment in NMDC.
- A service bond is insisted upon from only such of those employees who have been posted abroad. The bond period is for two years or a nominal amount of Rs.2,00,000/-
- Any employee joining the company should declare that he or she is not an insolvent.

**Actions**

- Appointment orders issued by the company very specifically state the various important conditions of appointment.
- Printed copies of Service Regulations and other rules are distributed to all Units for reference and use by every employee.
- The workmen in particular are given a copy of the certified Standing Orders precisely containing their general terms and conditions governing service conditions.
- The Personnel Manual is available in the Intranet site for reference.
- Employees are given incentives for achieving higher levels of output.
- Workmen have the additional facility of over-time payment for working beyond the prescribed working hours.

**Performance during the year 2017-18**

No form of forced or compulsory labour was resorted to.

**Principle 5: Business should support the effective abolition of child labour.**

**Commitment**

NMDC stands committed not to engage any child labour and do all that it can to abolish it from its surroundings.

**Systems**

- For appointment in the company, the minimum age prescribed and scrupulously followed is 18 years.
- Age verification is done with reference to approved documents in accordance with the practices prescribed by the Government of India.
- All employees are paid much above the minimum wages prescribed from time to time. Free and complete health care is given to all the employees and the members of their families. Free schooling facilities are provided at projects. Scholarships and hostel accommodation allowance, etc, are given for children's higher education.
- Skill development programme has been launched for training and increasing the employability of local qualified youth of adjoining villages of Bailadila projects by providing monetary and other assistance.

**Actions**

- All contractors are forbidden to engage child labour.
- Government enforcement agencies like Inspectors from Labour Department inspect the sites of construction to check for employment of child labour. Those found guilty are liable for punitive action by the Government.
- Records of the labourers engaged by the contractors are kept at worksites.

**Performance during the year 2017-18**

- No child labour was employed by NMDC.
- No child labour was allowed to be employed by the contractors working for NMDC.
- NMDC does not promote trade with organisations engaging child labour.



**Principle 6: Business should support the elimination of discrimination in respect of employment and occupation.**

**Commitment**

NMDC, by itself and as a Government company, stands committed to follow the policy of non-discrimination in all matters – recruitment, employment opportunity, promotion, etc.

**Systems**

- The Constitution of India, under Article 15, unambiguously prohibits discrimination on grounds of religion, race, caste, sex or place of birth.
- As a Government company, NMDC is bound to follow the Government directives, which are abundantly clear against any discrimination in any matters.
- As a measure of protecting and improving the conditions of the downtrodden, special provisions have been made in terms of the Government directives in respect of candidates belonging to Scheduled Caste, Scheduled Tribe and Backward class, both in recruitment and promotion.
- NMDC Recruitment and Promotion Rules provide for qualifications, skill and experience required for candidates for recruitment and promotion at various levels.
- The grievance procedure in the company is designed in a very simple and easy to handle way for the employees to get grievances, if any, to be resolved quickly.
- Unions and Associations representing the various levels of employees have easy access to the management to discuss and resolve discriminations, if any, quickly and effectively.

**Actions**

- The company periodically assesses and evaluates job contents and job requirements.

**Performance during 2017-18**

No discrimination was resorted to in respect of employment and occupation.

The Government directives against discrimination was adhered to in all matters.

The special provisions in respect of candidates belonging to Scheduled Castes, Scheduled Tribes and Backward classes made by the Government by way of Directives have been adhered to.

As on 31<sup>st</sup> March, 2018 the manpower position was:

- Total number of employees 5382
- Scheduled Caste employees 917 (17.03%)
- Scheduled Tribe employees 1163 (21.61%)
- Backward Class employees 992 (18.43%)
- Men : Women ratio 20.3 : 1

## **Principle 7: Business should support a pre-cautionary approach to environmental challenges.**

### **Commitment**

As a responsible corporate citizen, NMDC Ltd believes in maintaining ecological balance and NMDC is committed to ensure that its environmental systems and practices are aligned with international best practices such as the ISO: 14001- Environmental Management System standard. All major production projects of NMDC i.e Bailadila Deposit-5,10/11A, Bailadila Deposit-14/11C, Donimalai Iron Ore Project and Diamond Mining Project, Majhgawan, Panna have accreditation with Integrated Management System including SA-8000. This standard enables NMDC to manage its environmental impacts while adhering to the requirements not only of the standard itself but also to those of national and international norms, legislation, and regulations. It also forms the foundation for continuous improvement in environmental performance.

### **Sustainable Development Policy**

1. We, at NMDC, aim at being responsible miners with commitment to sustainable development in all our locations. We ensure that the sustainable development ethos are considered and integrated in all our decision-making processes and business planning.
2. We believe that market competitiveness on a long run can be achieved only by adopting the best practices of health, safety and environmental management, community management, and actively engaging our stakeholders in addition to the economic performance of the organization.
3. We comply in full with the laws and regulations where we operate. We aspire to be a benchmark by adopting international standards in the field of Sustainable Development.
4. NMDC Sustainability Policy is integrated with Environmental Policy, Occupational Health and Safety Policy, Community Development Policy and together they provide the broad framework for driving business in a responsible manner.

### **System:**

In order to ensure pollution-free environment, NMDC has built the following programmes into the day-to-day working of the mines:

- Environmental norms as laid down by the Ministry of Environment and Forests, and the State and the Central Pollution Control Boards are meticulously followed.
- Regular physical monitoring for all environmental parameters, like micro-meteorology, ambient air quality, surface and ground water quality and ground

water levels, work zone and ambient noise levels and soil quality through recognised environmental laboratories of MoEFCC/CPCB.

- Detailed Bio diversity conservation studies, carbon foot print, Energy audits, Water audit, SMI audit, etc.
- Environment up gradation works like afforestation at project sites, participating in C.G. Hariyar programme (road side tree plantation), reclamation of waste rock dumps and mined out areas.
- Disaster Management Plans for the tailing dams at the projects. Industrial Risk insurance for tailing dams constructed at NMDC projects.
- Protection measures for explosives' magazines at the projects. Public Liability Insurance towards handling explosives and other hazardous material.

## **Actions**

- A separate department for environment management, headed by a General Manager has been positioned to extensively monitor and effectively implement environment management programmes.
- Separate Cells at production projects have been set up with qualified and experienced Environment Scientists/Engineers.
- Expert organizations in the area have been engaged to measure and report periodically the various parameters.

## **Pollution Control Measures Covered**

- Judicious and scientific planning of direct excavation, waste rock dumping and sitting infrastructure areas.
- Restricting use of forestlands to the barest minimum level.
- Constructing ameliorative measures like buttress walls, check dams, digging contour trenches, biological reclamation of waste rock dumps, etc. to minimize land erosion. Various soil bio-engineering and dump stabilisation measures terrace dumping, geo-coir matting are being taken up to ensure minimum surface run off in the neighbouring forest and water bodies.
- Effluent Treatment Plant for treating effluents from service centres, Sewage Treatment Plant, Auto shops, etc to avoid water pollution.
- Constructed Sewage Treatment Plant with SBR technology at Bacheli at a cost of Rs. 6.61 Cr and at Kirandul at a cost of Rs 8.0 Cr for treatment of township domestic wastewater.
- Regular water sprinkling and grading of haul roads, scientific and massive afforestation for abating air pollution.
- Create green belts; densify open scrublands, good arboriculture, and follow avenue plantation practices for improving the overall environment as well as aesthetic value.
- Importance of value index of the region is envisaged and also to eradicate effects of visual intrusion by proper landscaping.
- Regular maintenance of Heavy Earth Moving Machineries and OCSL Plant equipment and adopting good housekeeping practices there by reducing noise pollution.
- Monitor all environmental parameters such as PM<sub>10</sub>, PM<sub>2.5</sub>, SO<sub>2</sub>, NO<sub>x</sub>, CO, Fugitive dust emissions in ambient air, water quality as per IS standards in respect of oxidation pond, discharge water from auto shops and service centres, tailing dam discharge water etc., on regular basis following the statutory acts and their amendments of the GOI viz.,

- Continuous Ambient Air Quality Monitoring Stations (CAAQMS) have been installed at mines. The results are recorded live and results are available on CPCB website.
- Regular monitoring of ground water levels and quality by engaging laboratories of repute.
- Preparation and timely submission of six-monthly reports to MOEF, GOI Regional offices and annual environmental audit reports to respective state pollution control boards.
- Creating environment awareness amongst all the employees and their children and the local population through celebration of Mines Environment & Mineral Conservation (MEMC) week under the aegis of Indian Bureau of Mines & World Environment Day celebrations.
- Basic and refresher Training of employees for environmental consciousness by conducting regular classes under mines Vocational Training Rules.
- Undertake of peripheral village community development works like improving roads, constructing school buildings, community halls, distributing books and stationery, extending schooling and medical facilities available in the project townships to the local people including adivasis as well.
- Providing safe drinking water to the township dwellers and extending drinking water supply to population of neighbouring villages.
- Obtaining consents for establishment and operation of mines / plants from the respective state pollution control boards.
- Obtaining environmental clearances for new / expansion projects from central Govt.
- Obtaining forestland clearances for renewal / fresh grant of mining leases.
- Massive afforestation drive through social forestry division of the local forest department.
- Stabilization of all the passive waste rock dumps and mined out areas.

## Performance during the year 2017-18

### Environmental and Forest clearances from MoEF&CC New Delhi

- Obtained **Environment Clearance (EC)** for Capacity expansion of Bailadila Deposit-10 Mine for production enhancement from 4.2 to 6.0 MTPA from MOEFCC, New Delhi on 07/07/2017.
- Obtained **Environment Clearance (EC)** for Iron Ore Beneficiation Plant, Bachel on 27/07/2017 from MOEFCC, New Delhi. Obtained **Final stage Forest Clearance (FC)** on 27/9/2017. Obtained **Consent For Establishment (CFE)** obtained from CECB on 17/10/2017.
- Obtained Stage-1 **Forest clearance (FC)** for diversion of 0.426 Ha forestland for laying of Paika Nallah Laghuwear / water Pipeline at village Bachel on 25/09/2017 from MOEFCC, RO, Nagpur.
- Obtained Stage-1 **Forest clearance (FC)** for diversion of 2.733 Ha forestland for construction of a road from loading plant, Bachel to Kirandul main road under FC Act, 1980, on 12/02/2018 from MOEFCC, RO, Nagpur.

- Obtained **Consent to Operate (CTO) for Deposit-5** for 10 MTPA production on 03/04/2018 valid from 01/04/2017 to 31/03/2020
- Obtained **Consent to Operate (CTO) for Deposit-10/11A** for 7 MTPA production on 18/09/2017 valid from 01/08/2015 to 31/07/2018. Further renewal under process.
- Submitted online **Forest Clearance (FC) applications** in Form- B for obtaining F.C. renewal of ML five Bailadila Iron Ore Mines leases viz **Deposit 5, 10, 11, 14 and 14 NMZ** in the month of February and March.
- Obtained **Consent for Establishment (CFE) for Screening Plant III**, Kirandul from CECB, Raipur, for 12 MTPA capacity on 28/07/2017.
- Obtained **Consent to Operate (CTO) for Deposit-14/11C** for 12 MTPA production on 03/04/2018 valid from 01/04/2016 to 31/03/2019.
- Obtained **Consent to Operate (CTO) for Deposit-11B** for 7 MTPA production on 18/01/2018 valid from 01/01/2017 to 31/12/2019
- Obtained **Consent for Establishment (CFE) for Deposit 13**, Kirandul from CECB, Raipur, for 2 MTPA capacity on 17/10/2017.
- Obtained Stage-1 **Forest clearance (FC)** for diversion of 4.4 Ha forestland for KIOM approach road on 27/09/2017.
- Obtained Stage-1 **Forest clearance (FC)** for diversion of 83.831 Ha forestland for proposed Slurry Pipeline from Kirandul to Nagarnar on 08/02/2018 from MOEFCC, RO, Nagpur.
- Obtained **Air and Water consents** for Diamond Mining Project (**DMP**), Panna for diamond mine on 27/6/17 (valid upto 31/10/19) and plant on 22/8/17 (valid upto 31/10/19).

**Principle 8: Business should undertake initiatives to promote greater environmental responsibility.**

**Commitment**

NMDC stands committed to promoting greater environmental responsibility in mining and processing of minerals in its mines for sustained development.

NMDC's Sustainable Development Policy states, we shall therefore endeavour to:

1. We, at NMDC, aim at being responsible miners with commitment to sustainable development in all our locations. We ensure that the sustainable development ethos are considered and integrated in all our decision-making processes and business planning.
2. We believe that market competitiveness on a long run can be achieved only by adopting the best practices of health, safety and environmental management, community management, and actively engaging our stakeholders in addition to the economic performance of the organization.
3. We comply in full with the laws and regulations where we operate. We aspire to be a benchmark by adopting international standards in the field of Sustainable Development.
4. NMDC Sustainability Policy is integrated with Environmental Policy, Occupational Health and Safety Policy, Community Development Policy and together they provide the broad framework for driving business in a responsible manner.

**Systems**

- Environmental aspects are carefully considered and appropriately incorporated at the planning stage of a project itself.
- Training programmes are arranged for employees on environmental awareness.

**Actions**

- NMDC has implemented IMS covering ISO14001: EMS, 9001 and OSHAS 180001 and SA-8000 in its major production mines.
- Water used for washing of ore is reclaimed for re-use.
- The electricity generated in the downhill conveyors is fed back into the grid, thereby reducing the draw of electricity from the main grid at its projects in Bailadila and Donimalai.
- Copies of the Environmental Policy Distributed/displayed printed of the company among its employees and local communities.

**Performance during the year 2017-18**

- As against the permissible limit of 120 microns per cu m of SO<sub>2</sub> and No<sub>x</sub> in ambient air, the values actually encountered at NMDC's mines were less than 30

microns per cu.m and carbon monoxide was observed to be below the detectable limit of the approved instruments.

- About 25% of the annual consumption of different lubricants in NMDC mines was disposed off to agencies duly authorized for recycling as per HWM Rules and its amendments issued by the Ministry of Environment and Forests, Government of India.

## **Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.**

### **Commitment**

NMDC stands committed to encouraging the development and diffusion of environment-friendly technologies,

NMDC's Environmental Policy states,

- Prevent and control environmental pollution due to mining and associated activities by adopting safe, scientific and environmental friendly methods of mining and mineral processing for applicable legal requirements like forest, environmental and other statutory clearances.
- Maintain the machineries in excellent condition to ensure minimum impact of their operation on environment.

### **Systems/Actions**

- Dust collectors are provided to the drills to control fugitive emissions at source.
- Wet drilling is adopted to mitigate the effect of dust on the work force.
- Main mine haul roads are regularly graded and water mixed with additives is sprinkled to suppress dust.
- Jet sprinklers are provided at all strategic and transverse points to control dust during crushing and transportation of ore at the plant.
- Closed conveyor belt system is provided to control dust generation and spreading during ore transportation.
- Rubber screens and rubber linings are provided at transfer points and along conveyor system to control noise and dust generation.

### **Performance during the year 2017-18**

The environmental monitoring studies indicated that levels of PM<sub>10</sub> & PM<sub>2.5</sub> are well below the permissible levels prescribed by MOEFCC /CPCB.

#### **Sustainable Development Performance**

Under S.D. programme, Constructed Sewage Treatment Plant with SBR technology at Bachel at a cost of Rs. 6.61 Cr and at Kirandul at a cost of Rs 8.0 Cr for treatment of township domestic wastewater. The company has taken up GHG assessment for the year 2016-17 and disclosed GHG emissions in Carbon disclosure project. The similar studies for the year 2017-18 are also taken up for GHG assessment and disclosure in CDP.



**Principle 10: Business should work against corruption in all its forms, including extortion and bribery.**

**Commitment**

Vigilance Department guides and facilitates impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive measures.

**Systems**

- The Vigilance Dept. at the Corporate Office is headed by Chief Vigilance Officer and assisted by Vigilance Officers drawn from various branches. At each of the Projects, there are two Vigilance Officers.
- The Chief Vigilance Officer has the equal status of Functional Director of the Company. He/she is appointed by the Government of India on deputation.
- Vigilance Studies are monitored by the Vigilance Officers under the guidance of CVO.
- Surprise, regular checks, CTE type inspections and other major vigilance investigations are carried out based on the strength of complaint / source information.
- All the executives of the Corporation have to submit Annual Property Returns every year as on 1<sup>st</sup> January.
- Employees are required to furnish the information regarding acquisition/disposal of movable and immovable property. As per CDA Rules of the Company acquisition of movable property exceeding Rs. 50,000/- in case of executive and Rs. 35,000/- in case of workmen to be intimated to Vigilance Department within 30 days from the date of its acquisition. But in the case of Immovable property irrespective of its value, prior permission to be obtained before the acquisition.
- Foreign travels by employees are monitored.
- The Chief Vigilance Officer has been nominated as the 'Nodal Authority' to receive grievances from CPGRAMS and others.
- A manual for Uniform Recruitment Policy was prepared and submitted to Personnel Department and the same is being considered for approval.
- Continuously following up for updating existing Materials Management Manual.
- Suggesting to have Uniform Promotion policy for executives.

## Actions

- Action Plan for the year 2017-18 was finalized wherein various studies were carried out by the Vigilance Officers. The reports received were discussed in detail and improvements in systems / procedures were suggested whenever required.
- Surprise and regular checks were carried out in every quarter during the year. The deficiencies and deviations wherever noticed were brought to the knowledge of the Management for corrective action.
- Pending disciplinary / CTE / CBI cases were reviewed in the quarterly meetings of VO's held at Head Office, and follow-up actions were taken for timely completion of inquiries and awarding penalties.
- Many system improvements such as maintaining of asset registers at Head office and Projects in respect of movable assets, Monitoring of Sensitive areas and installation of CCTV equipments, uniformity in recruitment process, banning of negotiations with L1 party, procurement and awarding of contracts on single tender / nomination basis, implementation of e-payment etc., are taken up as part of preventive vigilance.
- Vigilance Awareness week was observed in the Corporate Office and all units of NMDC. Various competitions, seminars and lecture programmes were arranged to create awareness of Vigilance amongst the employees during the week.
- No. of Training Programmes were conducted for Employees / Executives Trainees on preventive vigilance.
- The progress on vigilance activities and disciplinary cases were appraised through a Note to Board of Directors for review on half-yearly basis.
- System for lodging of online complaints and submission of Annual Property Returns by all the executives is in place.
- The Vigilance Department recommends for rotation of staff posted in sensitive posts in order to ensure that no vested interests are developed.
- Engineering Works Manual in place and put on NMDC website.
- Contracts Manual in place and put on NMDC in website.
- Materials Management Manual in place. Updated Manual is expected to be put up to Board Sub-Committee.
- Uniform Recruitment and Promotion Policy is under examination before Board Sub Committee

## Performance during the year 2017-18

NMDC Vigilance Department guides and facilitates impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive measures. Department had taken several initiatives during the year. Emphasis was laid on adequate checks and balances in the form of well-defined systems and procedures. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. The vigilance functionaries at the projects have conducted regular training classes for the employees on the vigilance matters. Executives of Vigilance Department were nominated for training / workshops being organized in India.

Vigilance Department in NMDC is certified under ISO 9001:2008 conforming to the Quality Management System. Surveillance Audit of Vigilance Department has been conducted by M/s. Integrated Quality Certification Pvt. Limited on 30.1.2018 and recommended for Certification which is valid up to 14.09.2018.

During the year (Apr, 2017 – March, 2018) 94 surprise checks, 104 regular inspections and 5 CTE type inspections were conducted. The details of CTE type Inspections are as below.

1. Study of construction of 60 units-Type-III TS Quarters at Bacheli. - awarded to M/s VSN Infra Limited at Cost of Rs 4.29 Crores.
2. Construction and Commissioning of Sewerage Treatment Plant at Bacheli- awarded to M/s DEE-TECH Projects Private Limited at cost of Rs 5.93 crores.
3. Construction of New Male and Female ward at Project Hospital, Kirandul – awarded to M/s K A Pappachan at a cost of RS 375.09 lakhs.
4. Widening of 310 conveyor walkway from TCP gate to vulcanizing point, Kirandul – awarded to M/s Mandira Construction at a cost of 12 lakhs.
5. Hospital on Wheel, Kirandul – awarded to M/s Samaitamutt at cost of Rs 62.83 crores

During the period, 51 grievances were addressed in the CPGRAMS Portal. Complaints received were taken up for investigation and necessary disciplinary action wherever required was recommended.

During the year (Apr, 2017 – March, 2018) 2 major penalties and 5 minor penalties were imposed. Two officials were terminated from the services who were convicted by CBI court.

Apart from these, the thrust area studies were conducted on following activities.

1. Study of Job Rotation – Sensitive Posts.
2. Study of Procurement of Medicines
3. Study of Power Consumption in all units

As part of implementation of “Leveraging of Technology for transparency” in all the transactions, the initiatives/system improvements studies/suggestions/recommendations made during the period are as below.

1. On line Vigilance clearance system is has been implemented since July 2017 for executives below Board level.
2. On line submission of certificate regarding award of contracts on nomination basis has been implemented since Feb 2018.
3. Electronic complaint handling is deployed and a completely automated IT enabled module on investigation and subsequent action is being initiated.
4. Based on study and consequent suggestions from Vigilance Department, Surveillance system to monitor production and despatches of Iron ore produced is automated in Kumaraswamy and Donimalai Projects.
5. Based on study of estate matters by Vigilance department, steps for strengthening estate matters were initiated. Process of engaging domain experts is also going on.
6. Based on study of Handling/sale of Diamond by Vigilance, SOPs was forwarded and sub committee also approved it.
7. Based on suggestions from Vigilance Department, provisions for making tendering process more transparent and accountable were made in Contracts Manual.
8. Based on study regarding deployment of hired vehicle at Kirandul by Project Vigilance, as a part of system improvement a circular was issued by the project to implement the suggestions of deploying of hired vehicle by following tendering system.
9. Integrity Index Development Project: Integrity Index Development Project initiated by CVC was taken up whole heartedly by the Organization. Integrity Index has been envisaged as a tool to facilitate internal assessment and improve performance. Considering it an ongoing activity a Senior Management Official has been nominated as IID Coordinator. Active all-round participation in time bound manner by sharing necessary inputs and suggestions from time to time, as required by the consultant was done.

Information about limited tender enquiries above Rs. 30 lakhs, details of contracts concluded above Rs. 10 lakhs, works awarded on nomination basis, single tender basis above Rs. 1 lakh, information regarding bill payments to the contractors etc., are provided on the company's website. Efforts to encourage e-procurement, e-tender, e-auction are being made continuously.

NMDC has adopted implementation of Integrity Pact since November, 2007. The threshold limit of Rs. 20 crores in case of civil works and contracts and Rs. 10 crores in case of procurement is being followed. Till date, the Integrity Pact is entered into 145 contracts with a value of Rs. 21,115.15 crores. As such, more than 90% of the total value of the contracts is covered under Integrity Pact. In addition, procurements through e-procurement and sales through are in place.

The **Vigilance Awareness Week 2017** was celebrated from **30.10.2017 to 04.11.2017**. On the inaugural day administration of pledge to all the employees at Head Office and Units of

NMDC at – Kirandul, Bacheli, Donimalai, Panna, NISP, Nagarnar, Sponge Iron Unit and Regional Offices was done. The theme for this year was “My Vision-Corruption Free India”.

To create awareness among the employees and Vendors/Contractors, facility to take Integrity Pledge online was created by sending SMS and voice messages. NMDC group mobile caller tone was changed during the Vigilance Awareness Week with message to spread vigilance awareness. A Season’s Greeting Card was made with useful information related to Vigilance, Integrity pledge etc. and sent to all the employees. Doordarshan Yadagiri telecasted live interview with CVO on 01.11.2017 in connection with Vigilance Awareness Week. Also brief on the importance of the Vigilance Awareness Week and Week-long activities at NMDC aired through All India Radio, Hyderabad.

During the Vigilance Awareness Week, as desired by the Commission, Integrity Club was formed at Schools and Colleges and competitions were conducted at Projects and Head Office. Competitions included Debate, Panel Discussions, Elocution and Essay Writing on Moral Values, Ethics, My Vision – Corruption Free India, Role of Youth in Fighting Corruption, Good Governance Practices etc. for inculcating greater awareness on prevention of corruption and anti-corruption measures. Similar competitions were also held for employees in HO and Projects. Display of Banners and Slogans related to Vigilance Awareness were done at Offices and Plant/ Mine areas and also at various places in the School / College premises during the entire Week.

A Workshop was held on “OUR VISION TO PREVENT CORRUPTION AND TO CONTRIBUTE TO THE NATION'S DEVELOPMENT” at HO and all projects, wherein groups were formed among departments and presentations were given by them at Head Office and Projects. Jury of Senior Officials evaluated the presentations and best teams were given prizes. The workshop was a grand success and the interaction helped in finding improvement opportunities. As an outreach activity, Vendor-cum-Contractor’s Meet was also conducted in Head Office and Projects. Officials concerned with Materials, Finance, Civil, Contracts, Engineering Departments have participated. At Head Office CVO and Director (Commercial) had interacted with Vendors & Contractors.

A talk on “Moral and Ethics in Governance” by Shri. K R Nandan, IPS (Retd.), Vigilance Commissioner, Telangana State was organized at Head Office wherein the Functional Directors – Director (Production), Director (Finance) and Director (Personnel) and around 110 Executives participated. The Valedictory function on 03.11.2017 at Head Office was attended by the Chief Guest – Shri. K Padmanabhaiah, IAS (Retd.), former Home Secretary, Chairman – Administrative Staff College of India, the CMD –Dr. N Baijendra Kumar, IAS and Functional Directors.

CVO detailed about the various programmes / initiatives taken up by the Vigilance Department in connection with the Vigilance Awareness Week. He appreciated the Students for initiating the Integrity Club in their respective Institutions as well as for conducting various competitions at their institutions and congratulated the winners. CVO also congratulated the winners of various competitions held at Head Office for employees.

Shri N.Baijendra Kumar, CMD, NMDC in his address had urged for structural reforms for corruption free country and desired that younger generation shall thrive for corruption free life for which one requires lot of spiritual and mental courage. . He also desired that every student should develop moral values from childhood onwards and develop vigilant nature against corrupt practices prevailing in the society. Chief Guest, Shri K. Padmanabhaih, IAS (Retd) while addressing the gathering said that Vigilance is not something which would come from outside whereas it has to come from inside and every man should be a vigilance officer of his own. He emphasized the importance of ethics and transparency in the day to day official as well as personal life. He also emphasized the need of National Integrity System to improve the Society where common man can live with dignity. He also emphasized the need of Independence and Resources to the law enforcement agencies for effectively fight the corruption. He also expressed that if the responsibility is defined, accountability will follow.

Quarterly Meeting of CVOs of Steel CPSEs under the administrative control of Ministry of Steel was held on 8.9.2017 at NMDC, Hyderabad.

A Quarterly meeting of Vigilance Officers in NMDC was conducted on 19<sup>th</sup> & 20<sup>th</sup> September 2017.