

ED/EPS/GC/03  
18<sup>th</sup> May 2013

Dear Stakeholders,

The **United Nations Global Compact**, is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society. It is the world's largest corporate citizenship initiative with two objectives: "Mainstream the ten principles in business activities around the world" and "Catalyse actions in support of broader UN goals, such as the Millennium Development Goals (MDGs).

The Global Compact Network (GCN) India was registered on 24 November 2003, with Registrar of Societies, NCT, Delhi, as a non-profit body. The main objective of the Network is to provide a forum to various Indian Companies/ Organizations to exchange experiences, network and work together on activities related to Corporate Social Responsibility (CSR). The Network, acts as an Apex level nodal agency representing various Indian Corporate bodies/ Institutions/ NGOs/ SMEs, who are committed to UN's Global Compact principles.

The Global Compact Network, India has been one of the pioneering local initiatives of the UN Global Compact. It is one of the first local networks to be set up as a legal entity. Over the last 9 years the network has seen modest growth and has been able to create a niche for itself with the efforts of the business community towards realizing the vision of sustainable development in India.

NMDC has been one of the earliest signatories and has also played an active role in the formation and growth of the Global Compact Network in India.

I take this opportunity to reiterate our commitment to the cause of UN Global Compact.

With warm regards,

Yours sincerely

CS Verma  
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 2012-13**

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 0.35. Mandays lost on account of accidents were 373.
- Housing has been extended to all its employees. In addition, house building advances were given to 22 employees (cumulatively to 2240 employees).
- Training coverage is 68.5% of employees. Training mandays as % of working mandays is 3.23.
- Basic education has been extended to 100% of the employees' children.
- Recognizing the meritorious service rendered by the employees on the occasion of this year's Corporation Day, ie, 15 November 2012, NMDC has awarded suitable mementos to (a) 189 employees (cumulatively 7007) who have rendered 20 years' service; (b) 84 employees (cumulatively 5882) who have rendered 25 years' service; (c) 218 employees (cumulatively 5212) who have rendered 30 years' service (d) 232 employees (cumulatively 1404) who have rendered 35 years' service by organizing suitable function.
- 210 employees (cumulatively 4021) who retired from service certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 181 employees (cumulatively 1229) who retired after putting in 30 years service in NMDC 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 2012-13**

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 have their own association (NMDC Supervisors' Association) at unit level and at the corporate office.
4. Executives have their own association (NMDC Officers' Association) 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 2012-13**

- All the workmen are subject to collective bargaining agreements and the supervisors and executives are governed by understanding/consultations.
- No mandays 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.
- An Executive Handbook containing the rules and regulations of the company has been prepared and distributed widely.
- 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 2012-13**

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 2012-13**

- 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 2012-13**

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, 2013 the manpower position was :

- |                             |               |
|-----------------------------|---------------|
| • Total number of employees | 5777          |
| • Scheduled Caste employees | 1021 (17.67%) |
| • Scheduled Tribe employees | 1273 (22.04%) |
| • Backward Class employees  | 824 (14.26%)  |
| • Men : Women ratio         | 18.4 : 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 standard. 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. NMDC's four major production units at Bailadila Dep-5,10&11A, Bailadila Dep-14/ 11C, Donimalai Iron Ore Project and Diamond Mining Project, Majhagawan, Panna are certified with ISO 14001:2004 Environmental Management Systems.

**Corporate Environmental Policy states, we shall therefore endeavour to:**

- 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.
- Conserve the natural resources by ensuring minimum wastage of our product "Iron Ore and Diamond", optimum consumption of electricity, fuel oil, lubricant oil and water.
- Monitor and ensure compliance of all applicable environmental & forest clearance conditions.
- It shall report to Board of Directors and concerned stakeholders.
- Promote environmental awareness amongst employees, local communities and interested parties through proactive communication and training.
- Continuous Environmental performance improvement through framing objectives.

- Management will review the suitability and effectiveness of environmental objectives and targets through its periodic management review process.

The policy shall be communicated to employees at all levels, local communities and stakeholders for its compliance.

## **Systems**

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.
- Detailed Bio diversity survey and conservation plan, carbon foot print assessment, Energy Management, carbon management.
- Environment up gradation works like massive afforestation, reclamation of waste rock dumps and mined out areas.
- Disaster Management Plans for the tailing dams at the projects.
- Protection measures for explosives' magazines at the projects.

## **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 for production projects have been set up with qualified and experienced Environment Scientists/Engineers.

- The Research & Development Centre of NMDC is actively engaged in adding value to the waste generated in mining.
- Expert organizations in the area have been engaged to measure and report periodically the various parameters.

### **Pollution control measures cover**

- 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, digging contour trenches, biological reclamation of waste rock dumps, etc. to minimize land erosion.
- Construction of check dams, Effluent Treatment Plant, Sewage Treatment Plant for treating effluents from service centers, Auto shops, etc to avoid water pollution.
- 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 land scaping.
- Regular maintenance of Heavy Earth Moving Machineries and OCSL Plant equipments and adopting good house keeping 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, dust fall rate in ambient air, water quality as per IS standards in respect of oxidation pond, discharge water from auto shops and service centers, tailing dam discharge water etc., on regular basis following the statutory acts and their amendments of the GOI viz.,
- Regular monitoring of ground water levels and quality
- 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 2012-13**

- Final Forest Clearance from MoEF on 14.6.2012 for diversion of 74.018 ha of forest land for renewal of supplementary ML Diamond Mining Project Panna.
- First Stage Forest clearance conditions for obtaining final forest clearance for diversion of 84.36 Ha of forest land for Arki Lime stone Project
- Forest Clearance for diversion of 65.936 Ha of revenue forest land (Bade Jhade Ki Jungle) for construction of SP-III on 7.1.12
- Final Forest Clearance for supplementary mining lease DMP Panna project for 74.018 Ha forest land



- Initiated advance action and submitted Forest Clearance application form to State Forest Department, Raipur for renewal of Mining Lease of Bailadila Deposit-14, 14 NMZ, Deposit 5 and Deposit 10.
- Obtained Terms of Reference from MoEF, GoI for preparation of EAI/ EMP report for combined peak production capacity of 1.3 MTPA in Shahpur East and Shahpur West underground coal mining projects for obtaining environmental clearance.

**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 Environmental Policy states, we shall therefore endeavour to:

- 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.
- Promote environmental awareness amongst employees, local communities and interested parties through proactive communication and training.
- Continual Environmental performance improvement through framing objectives.
- Management will review the suitability and effectiveness of environmental objectives and targets through its periodic management review process.

**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 is implementing ISO 14001:2004 environment systems management standard in its major production mines and is valid up to November'2014.
- The mines of NMDC participate in competitions on environment management.

- 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.
- Distributed/displayed printed copies of the Environmental Policy of the company among its employees and local communities.

### **Performance during the year 2012-13**

- 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 of 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**

**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 2012-13**

- The adoption of environment-friendly technologies is making NMDC more efficient in controlling various types of pollution well within the prescribed limits and improving the health of employees and the members of their families.

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

**Commitment**

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

**Systems**

- A full-fledged Vigilance Department is at the Corporate Office headed by Chief Vigilance Officer and assisted by Vigilance Officers. At each of the Projects, there is one Vigilance Officer.
- The Chief Vigilance Officer has the equal status of Functional Director of the Company. He is appointed by the Government of India on deputation.
- Vigilance cases 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.
- The executives 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 Immoveable property irrespective of its value, prior permission to be obtained before acquisition.
- Foreign travels by employees are also monitored.
- The Chief Vigilance Officer has been nominated as the 'Nodal Authority' to receive complaints

## **Actions**

- Action Plan for the year 2012-13 was finalized wherein various vigilance activities were carried out by the Vigilance Officers. The reports received were discussed in detail and improvements in systems / procedures were suggested.
- Surprise and regular checks were carried out every quarter in the year 2012-13 and the deficiencies and deviations from the procedures wherever noticed brought to the notice of the Management for corrective action.
- Pending disciplinary / CTE / CBI cases were reviewed in the quarterly meetings of VOs held at Head Office, and follow-up actions were taken for timely completion of inquiries and awarding penalties.
- Many system improvements such as 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 Period 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.
- Various Training Programmes were conducted for Employees / Executives Trainees as 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.
- Online system has been provided in the Company' website for lodging of complaints and submission of Annual Property Returns by all the executives.

- The Vigilance Department ensures the rotation of staff posted in sensitive posts in order to see that vested interests are not developed.

### **Performance during the year 2012-13**

NMDC Vigilance Department had taken several initiatives during the year. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. Emphasis was laid on adequate checks and balances in the form of well defined systems and procedures. The vigilance functionaries at the projects have conducted regular training classes for the employees on the vigilance matters. Executives of Vigilance Department were sent for training to various organizations like CBI Academy - Ghaziabad, Vigilance Study Circle – Hyderabad, training programme on “Security & Vigilance” in Kolkata, Management Development Programme on Vigilance Procedures in PSU & Departmental Enquiries at Hyderabad etc., for enriching their knowledge, and improving their skills on Vigilance.

As per the Action Plan, surprise and regular checks were conducted besides study of files. Irregularities and omissions under the provisions of the rules are identified and improvements in the systems are suggested. Based on the observations of Vigilance, recoveries were made from the contractors bills for not conforming to the contractual terms. During the year, 178 surprise checks, 145 regular inspections and 30 CTE type inspections were conducted.

Complaints received were taken up for investigation and necessary disciplinary action wherever required was recommended

As part of implementation of ***“Leveraging of Technology for transparency”*** in all the transactions, 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.

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 has been entered into 65 contracts with a value of Rs. 18438.62 crores. As such, more than 90% of the total value of the contracts are covered under Integrity Pact. In addition, implementation of e-procurement and e-auction have been taken up. Vigilance Department in NMDC is certified under ISO 9001:2008 conforming to the Quality Management System. It has been certified as per ISO standards since October, 2006 by Integrated Quality Certification Private Limited, Bangalore and ISO certificate was extended upto 25.10.2012. For re-certification of Quality Management System (QMS) of Vigilance Department, M/s. TQ Services conducted an external audit was conducted on 20.10.2012. The certificate is valid upto Feb, 2016.

The Vigilance Awareness Week was observed from 29.10.2012 to 02.11.2012. The Pledge was administered by Director (Technical) to all the Directors and Senior Executives of NMDC on the Inaugural day of the week and Shri. V V Lakshmi Narayana, Jt. Director, CBI addressed the Executives & Staff at the Corporate Office. Talks were arranged by eminent personalities on "Transparency in Public Procurement". On the concluding day, **a talk by Shri. Pratyush Sinha, former Central Vigilance Commissioner, Central Vigilance Commission** was organized.



As a part of the week, a Workshop on e-procurement was conducted by General Manager (Materials) for the benefit of officials of NMDC and vendors. A talk on **e-procurement and e-tendering for Transparency in Public Procurement**” by Shri. Jitendra Kohli, Founder and Managing Director of Electronic Tender also organised. Various queries raised by the NMDC officials related to e-procurement and e-tendering were clarified during the talk.

NMDC - Vigilance Department intranet website was inaugurated by Shri. R Sri Kumar, Vigilance Commissioner, Central Vigilance Commission on 18.12.2012.

NMDC Vigilance Department in coordination with VSC organised a 5-day Training Programme on **“Vigilance for Organisational Excellence”** from December 18<sup>th</sup> to 22<sup>nd</sup>, 2012 for Vigilance Executives of various PSUs including NMDC, banks and other insurance companies at NMDC Learning Centre. A total of 34 Participants belonging to 22 PSUs / banks and insurance companies participated in the Training Programme and the same was very-well received by all