

ED/EPS/GC/03  
25<sup>th</sup> June 2016

Dear Stakeholders,

The **United Nations Global Compact**, is a call to companies to align strategies and operations based on universal principles of protection of human rights, labour rights, environment protection and also anti-corruption initiatives and take actions that advance societal goals. It is the world's largest corporate sustainability initiative with 13000 corporate participants and other stakeholders over 170 countries.

Since inception, NMDC has been following these principles while conducting its business and these principles are reflected in all its activities. NMDC as one of the earliest signatories of this initiative has also played an active role in the formation and growth of the Global Compact Network in India.

During the past year, the UN Global Compact has taken several initiatives towards Sustainable Development. NMDC has also, in its sphere of activities, taken several steps for aligning its operations with Ten Principles of Global Compact and has also taken action to advance broader societal needs be it by way of protection of environment or taking up new CSR initiatives. During the year the Company has taken up GHG assessment and disclosed GHG emissions in Carbon disclosure project for the first time. Under CSR initiatives, NMDC has spent about Rs.210.09 crores during FY 2015-16 - the highest ever since inception.

In the coming years, the UN Global Compact will play a critical role in helping signatories and Governments work to achieve the SDGs. NMDC will also play a significant role in this regard. It will be my endeavor to continue support to the UN Global Compact and its ten principles.

With warm regards,

Yours sincerely

**Bharathi S. Sihag**  
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 2015-16**

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 1.54 Mandays lost on account of accidents were 350
- Housing has been extended to all its employees. In addition, house building advances were given to 06 employees (cumulatively to 2275 employees).
- Training coverage is 75.87% of employees. Training mandays as % of working mandays is 4.14.
- 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 2015, NMDC has awarded suitable mementos to (a) 188 employees (cumulatively 7518) who have rendered 20 years' service; (b) 167 employees (cumulatively 6227) who have rendered 25 years' service; (c) 152 employees (cumulatively 5517) who have rendered 30 years' service (d) 49 employees (cumulatively 1772) who have rendered 35 years' service by organizing suitable function.
- 247 employees (cumulatively 4655) 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. 181 employees (cumulatively 1736) 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 2015-16**

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 2015-16**

- 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.
- 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 2015-16**

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 2015-16**

- 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 2015-16**

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, 2016 the manpower position was :

- Total number of employees 5773
- Scheduled Caste employees 990 (17.15%)
- Scheduled Tribe employees 1221 (21.15%)
- Backward Class employees 985 (17.67%)
- Men : Women ratio 18.7 : 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 accredited with ISO: 14001. 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, etc.
- Environment up gradation works like afforestation at project sites, participating in C.G. Hari Har programme (road side tree plantation), 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 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, 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.
- Constructed Sewage Treatment Plant with SBR technology at Bacheli at a cost of Rs. 6.61 Cr for treatment of township domestic waste water.
- 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 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 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 2015-16**

#### **Environmental clearances from MoEF&CC New Delhi**

- obtained Environmental clearance from GoI, MoEFCC, New Delhi for (i) Bailadila Iron Ore Project, Deposit-13 at Kirandul, Chhattisgarh for production capacity of 10 million tons per annum and (ii) Setting up of 2 MTPA Pellet Plant at Integrated Iron and Steel Plant complex at Nagarnar in Chhattisgarh.
- Expert Appraisal Committee, MoEFCC in its meeting held on 28/1/2016 has also recommended the project "setting up of 4 MTPA Iron Ore Beneficiation Plant at Bacheli along with Slurry Pipeline from Bacheli to Nagarnar" for Environmental Clearance.
- The Environmental Public consultation meetings held successfully for Bailadila Iron Ore Project, Deposit-4 on 7/12/2015 at Dantewada and on 10/3/2016 for proposed Screening Plant-II at Donimalai.
- Obtained Terms of Reference from MOEFCC on 8/1/2016 for preparation of EIA report for obtaining Environmental clearance for capacity expansion of Bailadila Iron Ore Project, Deposit-14/11C, Kirandul from 12.0 to 20.0 MTPA. The company is in process for obtaining Environmental clearances for other expansion projects.

### **Forest clearances from MoEF & CC New Delhi**

- Obtained stage-1 forest clearances from MOEFCC for (i) diversion of 33.00 Ha forest land for construction of Iron Ore Beneficiation plant at Bacheli on 2/11/2015 and (ii) 4.01 Ha forest land for Transmission line of Pellet plant at Donimalai on 22/9/2015. The company is pursuing with State and Central Government for obtaining forest clearances for other proposals.



**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 is implementing IMS covering ISO14001: EMS, 9001 and OSHAS 180001 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.
- Distributed/displayed printed copies of the Environmental Policy of the company among its employees and local communities.

### **Performance during the year 2015-16**

- 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**

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 2015-16**

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, the company has installed Sewage Treatment Plant with SBR technology at Bacheli at a cost of Rs. 6.61 Cr for treatment of township domestic waste water. The company has taken up GHG assessment for the year 2014-15 and disclosed GHG emissions in Carbon disclosure project for first time. The similar studies for the year 2015-16 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 putting in place the Contracts Manual and updating existing Materials Management and Personnel Manuals.
- Guidelines for appointment of Consultants/Advisors suggested to management.

### **Actions**

- Action Plan for the year 2015-16 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 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 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.
- Online system provided for submission of forms for declaration of assets and liabilities under " Lokpal and Lokayuktas Act 2013"
- 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 intranet website.
- Guidelines for Banning of Business were prepared by the Vigilance and approved by the Competent Authority and now in place.

### **Performance during the year 2015-16**

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. Various programmes were conducted for awareness on vigilance matters for the employees of the Corporation. 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. It has been certified as per ISO standards since October 2006 by Integrated Quality Certification

Private Limited, Bangalore. For re-certification of Quality Management System (QMS) of Vigilance Department, M/s. Integrated Quality Certification Pvt Ltd conducted an external audit on 22.1.2016 and the certification is extended up to 14.9.2018.

During the year (Apr, 2015 – March, 2016) 118 surprise checks, 96 regular inspections and 7 CTE type inspections were conducted. During period, 60 grievances were addressed in the CPGRAMS Portal. Complaints received were taken up for investigation and necessary disciplinary action wherever required was recommended.

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

1. Ore despatches by Rail and Road including penalty and demurrage payments, chemical analysis of ore.
2. Maintenance Contracts of HEMS(MARC & CAP)
3. Standardisation of specifications
4. CSR activities
5. Estate Matters

Guidelines for Banning of Business were prepared by the Vigilance and submitted with recommendations for having the same in the organisation. The same has now been approved by the Competent Authority and being incorporated in all tenders.

In-house quarterly magazine of the Vigilance department "Sphoorthy" is being published periodically.

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. 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 75 contracts with a value of Rs. 20131.65 crores. As such, more than 90% of the total value of the contracts is covered under Integrity Pact.

The Vigilance Awareness Week from 26.10.2015 to 31.10.2015 on the theme **"Preventive Vigilance as a tool of Good Governance"** commence with the administration of **pledge to all the employees.**

A two day workshop on **"Vigilance aspect in procurement"** for the officers in the rank of E1-E4 from the projects, Units & Head office was organised wherein 53 executives from all units participated. In this workshop, talks by senior officers from Materials/ Finance Departments of NMDC, Shri A.R.Srinivasa, Former Advisor, CTE,CVC, Shri Sandeep Baldava, Partner,Ernst & Young were organized. Banners and Slogans related to Vigilance Awareness were displayed at various places in the office premises.

As directed by the CVC, Elocution/Debate/Panel discussion was organised in no of schools/Colleges for the students.

The Valedictory function of the Vigilance Awareness Week was attended by the CMD, Functional Directors and the Chief guest Shri K.R.Nandan, Vigilance Commissioner, Govt of Telengana. In his address to award winners from schools and colleges, CMD emphasized that every student should develop moral values right from childhood and develop Vigilant nature against corrupt practices prevailing in the society. He also said that every employee of the Corporation should be a vigilance officer and create awareness on a continuous basis. Shri K.R.Nandan in his address emphasized the need for preventive and proactive vigilance.

Prizes were distributed by the Chief Guest to the winners of NMDC employees in the competitions held during the Week.

Units of NMDC at – Kirandul, Bacheli, Donimalai, Panna, NISP, Nagarnar, Sponge Iron Unit and Regional Offices at New Delhi, Bangalore, Kolkata, Vizag etc., too observed the Vigilance Awareness Week.

CVC 's Annual Sectoral Review Meeting with CVOs of Steel and Mines Sector was held on 26.11.2015 at NMDC, Hyderabad. The entire commission was present in the meeting.