

NEYVELI LIGNITE CORPORATION LIMITED
WHISTLE BLOWER POLICY 2014

1.0 Objective and Purpose:

- 1.1 This policy is formulated to provide an opportunity to employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.
- 1.2 Clause 49 of the listing Agreement between listed Companies and Stock Exchanges has been amended and is effective from November 4th 2010. Clause 49 Inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy".
- 1.3 It is to provide necessary safeguards for protection of employees from reprisals or victimization.

However, a disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower shall not be protected under this policy.

2.0 Definitions:

- 2.1. **"Company"** means NLC Ltd.
- 2.2 **"Audit Committee"** means the Audit Committee as per section 177 of the Companies Act , 2013 and read with clause 49 of the listing agreement with the stock exchange.
- 2.3. **"Competent Authority"** means the Chairman & Managing Director of the Company and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (CMD being the subject person), Competent Authority means Chairman-Audit Committee.
- 2.4. **"Employee"** means every employee whose name appears on rolls of the company (whether working in India or abroad) including a person on deputation to / from the company.
- 2.5. **"Improper Activity"** means unethical behavior , actual or suspected fraud or violation of the company's general guidelines by an employee of NLC.
- 2.6. **"Investigators"** mean, those persons authorized, appointed, or consulted by the Chairman & Managing Director / Competent Authority in connection with conducting investigation into a protected disclosure, including the Auditors of the Company.

2.7 **"Fraud"** includes any act, omission, concealment of any fact or abuse of position committed by any employee or with his connivance in any manner, with intent to deceive, to gain undue advantage from , or to injure interests of the company or its employees

2.8 **"Unethical behaviour"** includes actions such as the ones given below but not limited to:

a) Abuse of Authority

b) Action aimed at taking advantage of another without his knowledge or consent

c) Financial irregularities

d) Disclosure of confidential/ proprietary information to authorized persons

e) Wastage/ misappropriation of company funds/assets

2.9. **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or "Improper Activity".

2.10. **"Service Rules"** means the Conduct, Discipline and Appeal rules and the applicable Standing Orders / Security Forces Regulations, as the case may be.

2.11. **"Subject"** means an employee against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

2. 12. **"Whistle Blower"** means an Employee making a Protected Disclosure.

2.13 **"Victimization"** means punishment or discrimination against the Whistle Blower selectively or unfairly

2.14. **"Motivated Complaint"** means a complaint shall be deemed to be bonafide unless it is found to be motivated.

3.0 Eligibility:

All employees of NLC & its Subsidiaries are eligible to make "Protected Disclosures".

4.0 Guiding Principles:

4.1 Protected disclosures shall be acted upon in a time bound manner.

4.2 Complete confidentiality of the Whistle Blower will be maintained.

4.3 The Whistle Blower and / or the person(s) processing the Protected Disclosure will not be subjected to victimisation.

- 4.4 Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- 4.5 'Subject' of the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.
- 4.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are required to provide proof, they must have sufficient cause for concern.
- 4.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.
- 4.8 The Whistle Blower Policy does not tantamount in any manner to dilution of the Vigilance Mechanism in NLC. Rather, over and above the existing Vigilance Mechanism, any Protected Disclosure made by an employee under this policy, if perceived to have a vigilance angle, shall be referred to the Chief Vigilance Officer, NLC, as per the existing practice.

5.0 Whistle Blower – Role, Disqualification & Protection:

Role:

- 5.1 The Whistle Blower's role is that of a reporting party with reliable information.
- 5.2 The Whistle Blower is not required or expected to conduct any investigation on his own.
- 5.3 The Whistle Blower cannot participate in investigations as a matter of right.
- 5.4 Protected Disclosure will be appropriately deal with by the Competent Authority.
- 5.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

Disqualification & Protections:

- 5.6 Genuine Whistle Blowers will be accorded protection from any kind of harassment / unfair treatment / victimisation. However, motivated and frivolous disclosures shall be discouraged.
- 5.7 If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for the Whistle Blower to receive advice about the procedure. Expenses incurred by the Whistle Blower in connection with the above, towards travel etc. will be reimbursed as per TADA rules of NLC in vogue.
- 5.8 No whistle blower who has made any complaint of improper activity shall be victimized by initiation of any proceedings or otherwise merely on the ground that such person had made a disclosure/complaint of improper activity.

- 5.9 If any whistle blower is being victimized or likely to be victimized on the ground that he has filed a complaint or reported improper activity or rendered assistance in investigation under this policy, he may file an application before the Competent Authority seeking redress in the matter and such Authority shall take such action as may be deemed fit and may give suitable direction to the concerned officer/executive as the case may be to protect such person from being victimized or to avoid his victimisation.
- 5.10 If any employee of the Company who negligently or malafidely reveals the identity of the whistle blower shall be liable to be prosecuted under Section 16 of the Whistle Blower Act apart from being proceeded with disciplinary action.
- 5.11 A Whistle Blower may report any violation of Clause 5.7 above to the Competent Authority who shall investigate into same and take corrective action as may be required.
- 5.12 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower. However, any abuse of this protection will warrant disciplinary action against him.
- 5.13. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be motivated or malafide or malicious or frivolous, baseless or reported otherwise than in good faith, will be liable for disciplinary action as per the applicable Service Rules.

6.0 Procedures – Essentials and Handling of Protected Disclosure:

- 6.1 The Protected Disclosure / Complaint should be attached to a letter bearing the identity of the Whistle Blower / Complainant i.e. his / her Name, Employee No., PF No., Designation and Address, and should be inserted in an envelope which should be closed / secured / sealed. The complaint can also be sent through email. The whistle blower should give his name, address, contact number(s) and email address in the beginning or at the end of complaint or in an attached letter so that the same can be concealed , while processing further.
- The envelope thus secured / sealed should be addressed to the Competent Authority and should be superscribed "Protected Disclosure". (If the envelope is not superscribed and closed / sealed / secured, it will not be possible to provide protection to the Whistle Blower as specified under this policy).
- 6.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he may send his Protected Disclosure directly to the Chairman, Audit Committee, c/o Company Secretary, NLC. If, the audit committee of the company is not in place due to any reason,

then the CMD will nominate one of the Directors to discharge the functions of the Chairman, Audit Committee under this policy.

- 6.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 6.4 Protected Disclosure should either be typed or written in legible hand writing in any language listed in the constitution of India and should provide a clear understanding of the Improper Activity involved or issue / concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- 6.5 Investigations into any Improper Activity which is the subject matter of an inquiry of order under the Public Servants' Inquires Act, 1850 or under the Commissions of Inquiry Act, 1952 will not come under the purview of this policy.
- 6.6 In order to protect identify of the person, Competent Authority will not issue any acknowledgment and the whistle blowers are advised not to enter into any further correspondence.
- 6.7 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:
The Chairman-cum-Managing Director
Competent Authority
Whistle Blower Mechanism
Neyveli Lignite Corporation Limited
Corporate Office
Block-1, Neyveli – 607 801.
- 6.8 The contact details for addressing a protected disclosure to the Chairman Audit Committee are as follows:
Chairman, Audit Committee
C/o Company Secretary
Neyveli Lignite Corporation Limited
Corporate Office
Block-1, Neyveli – 607 801
- 6.9 The Competent Authority shall mark the envelope containing the protected Disclosure to a dedicated Confidential Section, Which shall maintain a record thereof and shall submit the same to *the* Chairman Audit Committee.
- 6.10 The competent authority or the person/s so authorised by him shall weed out frivolous/motivated complaints and the Protected Disclosure(s) / bonafide complaints which require further investigation shall be forwarded to the investigator(s) for this purpose, through the Confidential Section.

- 6.11 The Competent authority shall, on receipt of a public interest disclosure, make discreet inquiry , in such a manner within such time, not more than 15 days to ascertain whether there is any basis for proceeding further to investigate the disclosure.
- 6.12 The competent authority may require for the purpose of inquiry any public servant or any other person who its opinion shall be able to furnish any such information or produce any such document as may be necessary for the said purpose. For the purpose of such inquiry (including the preliminary inquiry if any) the competent authority shall have the powers of a Civil Court while trying the civil suit under Code of Civil Procedure in respect of the following :-
- (a) summoning and examining of any person on oath
 - (b) requiring the discover and production of any document
 - (c) receiving evidence on affidavits
 - (d) issuing commissions for the examination of witness and documents
 - (e) such other matters as may be prescribed.

7.0 Investigations and Role of Investigators:

Investigation:

- 7.1 Investigations shall be launched if the competent authority is satisfied after preliminary review that:
- a) The alleged act constitutes an improper or unethical activity or conduct, and
 - b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information; it is felt that the concerned matter deserves investigation.
- 7.2 The decision taken by the competent authority to conduct an investigation by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.
- 7.3 If the Competent Authority determines that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.
- 7.4 The Competent Authority shall not investigate into any allegation if the complaint / disclosure is made after the expiry of 7 years from the date on which action complaint against is alleged to have taken place.
- 7.5 The identity of the Subject(s) and the Whistle Blower shall be kept confidential.
- 7.6 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.

- 7.7 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 7.8 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject(s).
- 7.9 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.10 The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 7.11 Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s):

- 7.11 Investigator(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall have derived their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his / their report to the Competent Authority.
- 7.12 All investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fitness, objectivity, thoroughness, ethical behaviour and observance of professional standards.
- 7.13 **Complaint against the Board Level Executives:**
Complaint against Board Level Executives shall after concealing the identity of the whistle blower be forwarded by the Competent Authority or the Chairman, Audit Committee as the case may be to the CVO of the Ministry of Coal, Govt. of India for further processing.

8.0 Action

- 8.1 If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the

Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions including referring the matter to Chief Vigilance Officer of NLC for appropriate action.

- 8.2 The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and / or to prevent the re-occurrence of such improper activity.
- 8.3 If the Investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.
- 8.4 If the competent authority is satisfied that the protected disclosures / complaints is false, motivated or vexatious, the competent authority may report the matter to concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower.

9.0 Grievance

- 9.1 If the Whistle Blower feels aggrieved with the disposition of his or her Complaint or if the Whistle Blower or Subject feels that protection, which either of them is entitled to has not been provided or has been disregarded, the Whistle Blower or Subject as the case may be may make a representation in writing of his or her grievance to the Chairman of the Company, who will take such action in the matter as he considers necessary to redress the grievance.
- 9.2 If the Whistle Blower or subject feels aggrieved with the action taken by the Chairman of the Company on a representation made under Clause 9.1 he / she may make a representation in writing of his or her grievance to the Chairman, Audit Committee, who shall take or direct such action on the representation as he shall deem fit. The decision of the Chairman, Audit Committee shall be final and binding on the Whistle Blower and on the Subject(s).

10.0 Reporting and Review

- 10.1 The Competent Authority shall submit a report of the complaint, of the investigation conducted, and of the action taken to the Chairman, Audit Committee, who shall have power to review any action or decision taken by the Competent Authority.
- 10.2 All employees of the Corporation shall abide by, obey and be bound to implement any decision taken or direction given by the Audit Committee.

11. Retention of Documents & Annual Confirmation

11.1 All Protected Disclosures in writing or documented along with the results of Investigation relating thereto shall be retained by the company for a period of five years.

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

12.0 Amendments

This policy can be changed, modified or abrogated at any time by the Board of Directors of the Company.

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