



VIGIL MECHANISM POLICY OF RINL

[Pursuant to Section 177(9) of the Companies Act, 2013 r/w
Rule 7 of the Companies (Meetings of Board and Powers) Rules, 2014]

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VIGIL MECHANISM POLICY OF RINL

1.0. OBJECTIVE AND PURPOSE

This Vigil mechanism Policy (herein after referred to as Policy) is formulated considering the requirements envisaged under the Corporate Governance Guidelines issued by Department of Public Enterprises (DPE) and in accordance with the Companies Act, 2013 and Rules made there under with the following objectives:

- 1.1 To provide an opportunity to all employees and directors an avenue, to raise Concerns and access to the Chairman of the Audit Committee.
- 1.2 To promote raising of Concerns in good faith to maintain highest possible standards of ethical, moral and legal business conduct and transparency.
- 1.3 To protect employees and directors, who raise Concern under this Policy in good faith, from reprisals or victimization and to prohibit managerial position from taking any adverse personal action against such employees and directors.
- 1.4 The Vigil mechanism is intended for reporting of Concerns about unethical behavior, actual or suspected fraud, or violation of the company's general guidelines on conduct or ethics policy within the business of RINL and not for general business complaints or product related issues or grievances about an employee's personal employment situation.
- 1.5 In case of repeated frivolous complaints being filed by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

For the sake of absolute clarity, it is specified that the Policy does not tantamount, in any manner, to dilute Vigilance mechanism already available in RINL. Any Protected Disclosure made by an employee under this policy, if perceived to have a vigilance angle, shall also be referred to the Chief Vigilance Officer, RINL (herein after referred to as CVO) for further course of action.

2.0. DEFINITIONS

- 2.1 **Annual Report:** Annual Report includes all Reports which are required to be placed before the members of the Company annually i.e. Balance Sheet, Profit and Loss Account, Directors' Report, Auditors' Report and every other document which is required to be annexed or attached or forming part thereof.
- 2.2 **Audit Committee:** Audit Committee is the Committee which is constituted pursuant to the Corporate Governance Guidelines issued by Department of Public Enterprises and in accordance with the Companies Act, 2013.
- 2.3 **Board Report:** Board Report has the same meaning as defined under the Companies Act, 2013 and Rules made there under and amended from time to time.
- 2.4 **Concern:** The written complaint with reference to unethical behavior, actual or suspected fraud, violation of the companies' general guidelines on conduct or ethics policy by employee.

- 2.5 **Employee:** A person who performs a full time service for wages, salary, or other remuneration in the Company and is on the rolls of the Company and Whole-time directors of the Company.
- 2.6 **Good Faith:** Concern is deemed to be in “good faith” provided it is made on a reasonable ground with documentary support. “Good Faith” is lacking when the employee does not have personal knowledge on a factual basis for the Concern or when it is malicious, false or frivolous.
- 2.7 **Investigation and Investigators:** A team will be appointed by the Chairman of Audit Committee for the purpose of Concern raised by Whistleblower. The persons in the team are called Investigators.
- 2.8 **Nodal officer:** Nodal officer is a Senior Officer, other than Company Secretary, who is appointed by Chairman-Cum-Managing Director (CMD), RINL for accepting the Concerns of the Whistleblower.
- 2.9 **Protected Disclosure:** Protected Disclosure means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of Concern.
- 2.10 **Right of Access or Right of Approach:** The Right to an employee to give a written report on a Concern to the Nodal officer / Audit Committee, which an employee has observed or found in the Company. Any changes in the Chairman of the Audit Committee shall be duly notified from time to time through the Company’s website www.vizagsteel.com.
- 2.11 **Screening Committee:** Screening Committee is a Committee which is constituted under this by Audit Committee, comprising of the following:
- 1) Nodal officer as nominated by CMD, who shall be Chairman of the Committee,
 - 2) A Member, as nominated by the Chairman, Audit Committee.
 - 3) A Member, as nominated by the CVO, RINL.
- 2.12 **Subject:** Subject means an employee - officer / staff, director against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 2.13 **Supervisor:** Supervisor means the Seniors of the employee to whom he is supposed to report in his official work.
- 2.14 **The Company or this Company:** The Company or this Company means “Rashtriya Ispat Nigam Limited” (RINL-VSP).
- 2.15 **Unfair Termination and Unfair Prejudicial Employment Practices:** Unfair termination and Unfair prejudicial employment practices means to threaten, or otherwise discriminate or retaliate against an employee in any manner that effects the employee’s employment, including compensation, job location, rights, immunities, promotions, or privileges.
- 2.16 **Vigilance Angle:** Vigilance angle is obvious in the following acts: -
- (i) Demanding and/or accepting gratification other than legal remuneration in respect of an official act or for using his influence with any other official;

- (ii) Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he has or likely to have official dealings or his subordinates have official dealings or where he can exert influence;
- (iii) Obtaining for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his position as a public servant;
- (iv) Possession of assets disproportionate to his known sources of income;
- (v) Cases of misappropriation, forgery or cheating or other similar criminal offences;

2.17 **Whistleblower:** Any employee who raises a Concern.

3.0 ELIGIBILITY

All Employees are eligible to raise Concerns.

4.0. PROCEDURES – ESSENTIALS AND HANDLING OF PROTECTED DISCLOSURES / CONCERNS

- 4.1 The Protected Disclosure/Concern should be attached to a letter bearing the identity of the Whistleblower i.e. his/her Name, Employee Number and Location and should be inserted in an envelope, which should be closed / secured /sealed. The envelope thus secured / sealed should be addressed to the Nodal officer 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 Whistleblower as specified under this policy). The text of the complaint should be carefully drafted so as not to give any details or clue as to his/her identity. However, the details of the complaint should be specific and verifiable.
- 4.2 If the Whistleblower believes that there is a conflict of interest between the Nodal officer and the Whistleblower, he may send his Protected Disclosure directly to the Chairman, Audit Committee.
- 4.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 4.4 Protected Disclosure should either be typed or written in legible handwriting in English, Hindi or Regional language of the place of employment of the Whistleblower and should provide a clear understanding of the 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.
- 4.5 Investigations into any Concern which is the subject matter of an inquiry or order under the Public Servants’ Inquiries Act, 1850 or under the Commissions of Inquiry Act, 1952 will not come under the purview of this policy.

- 4.6 The contact details for addressing and sending the Protected Disclosure/Concern is as follows:

Director (Personnel),

Nodal officer, Vigil mechanism Policy,
2nd Floor, D Block, Administrative Building,
Rashtriya Ispat Nigam Ltd (RINL),
Visakhapatnam Steel Plant (VSP),
Visakhapatnam- 530 031. A.P.

In case of conflict with Nodal officer, Concern is to be addressed to:

The Chairman, Audit Committee,

C/o The Company Secretary, RINL

Vigil mechanism policy, Company Affairs Department,
2nd Floor, D-12, D Block, Administrative Building,
Rashtriya Ispat Nigam Ltd (RINL),
Visakhapatnam Steel Plant (VSP),
Visakhapatnam- 530 031. A.P.

- 4.7 The Nodal officer/ Company Secretary, as the case may be, shall mark the envelope containing the Protected Disclosure to Chairman, Audit Committee and shall maintain a record thereof.

5.0 GUIDELINES

- 5.1 ***Prohibition:*** The policy prohibits Company from taking any action which may lead to unfair termination or unfair prejudicial employment practices against its employees for raising Concerns in goodfaith. However, this policy does not protect an employee from an adverse action or proceedings which was initiated before a Concern is raised by the employee or from misconduct, poor job performance, or subjection to a reduction in workforce unrelated to a Concern made pursuant to the Vigil mechanism Policy.
- 5.2 ***Reporting Authority:*** Audit Committee shall be the Reporting authority under this policy.
- 5.3 ***Nodal officer's Duties & Responsibilities:***
- 5.3.1 Be familiarize with this policy.
 - 5.3.2 Notify all employees of their protections and obligations under the "Policy" of the Company.
 - 5.3.3 Receive Concerns from Whistleblowers and properly records and act as per the policy.
 - 5.3.4 Nodal officer should demand for significant evidence from Whistleblower, while registering the Concern.
 - 5.3.5 Forward Whistleblower Concern / Report to the Chairman, Audit Committee.
 - 5.3.6 All Concerns/Reports of fraud or suspected fraud shall be handled with utmost speed and shall be coordinated by the Nodal officer.

- 5.3.7 Nodal officer is empowered and shall ensure that all relevant records/ documents and other evidence is being immediately taken into custody and being protected from being tampered with, destroyed or removed by suspected perpetrators of fraud or by any other official under his influence, on receiving input about any suspected fraud.
- 5.3.8 Nodal officer is the Chairman of the Screening Committee.

5.4 ***Rights & Protections of Whistleblower:***

- 5.4.1 The Whistleblower's role is that of a reporting party with reliable information. He shall communicate Concerns in writing along with all necessary supporting evidences. If the reporting is against the Nodal officer, the Concern can be submitted to Chairman, Audit Committee through Company Secretary.
- 5.4.2 The Whistleblower shall be free to submit Concern to Nodal officer. The Whistleblower can directly approach the Chairman, Audit Committee in case of no response in three months time.
- 5.4.3 The Whistleblower is not required or expected to conduct any investigations on his own. However, he may be associated with the investigations, if the case so warrants, but he shall not have a right to participate.
- 5.4.4 All Concerns are appropriately dealt with by the Chairman of the Audit Committee. The Whistleblower shall have a right to be informed of the disposition of his Concerns except for overriding legal or other reasons.

Protections:

- 5.4.5 Genuine Whistleblowers will be accorded protection from any kind of harassment/unfair treatment/victimization. However, motivated and malicious disclosures shall be discouraged and will be dealt as per CVC's guidelines on the subject and as per Conduct, Discipline and Appeal Rules or as per Certified Standing Orders as applicable.
- 5.4.6 If the Whistleblower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for the Whistleblower to receive advice about the procedure. Expenses incurred by the Whistleblower in connection with the above i.e. towards travel etc., will be reimbursed as per normal respective entitlements.
- 5.4.7 A Whistleblower may report any violation of Clause 5.4.6 above to the Chairman of the Audit Committee who shall investigate into the same and take corrective action as may be required.
- 5.4.8 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

5.4.9 Course of Action Available to the Employees:

5.4.9.1 An employee who alleges adverse action (Whistleblower) under the Policy may approach Chairman, Audit Committee for appropriate relief within 6 months, if any action is taken against the employee in violation of Clause 5.7 mentioned herein below.

5.4.9.2 The employee has the burden of proof in establishing that he or she has suffered an adverse action for an activity protected under the Policy.

5.5 Screening Committee's Responsibilities:

5.5.1 Screening Committee receives the Concern of subject content from Chairman of Audit Committee.

5.5.2 *Maintenance of Register of Concerns:* Chairman, Screening Committee (i.e. Nodal officer) shall maintain a register for registration of Whistleblower's Concerns. Each Concern shall bear unique number.

5.5.3 *Determination of nature of Concerns:* Screening Committee shall determine the nature of Concerns keeping in view the requirements under Corporate Governance guidelines issued by DPE.

The Concerns may be classified in two broad categories:-

(a) Reporting on unethical behavior, actual or suspected fraud, violation of the Company's general guidelines on conduct or ethics policy.

(b) Any wrongful action taken by the Management against the employee who has approached the Audit Committee under point (a) above.

5.5.4 Screening Committee appropriately and expeditiously segregates all Whistleblower Concerns received from Audit committee. If the Screening committee feels the existence of Vigilance Angle, Concern is forwarded to CVO-RINL through Chairman, Audit Committee.

5.6 Audit Committee's responsibilities:

5.6.1 *Essential Factors:* While determining of the alleged assertion, the following factors may be considered:

5.6.1.1 accuracy of the information furnished;

5.6.1.2 nature and quality of evidence;

5.6.1.3 existence of relevant laws and rules;

5.6.1.4 whether the action appears to be isolated or systemic;

5.6.1.5 history of previous assertions regarding the same subject or subject matter;

5.6.1.6 what are the avenues available for addressing the matter;

5.6.1.7 seriousness or significance of the asserted action; and

5.6.1.8 cost and benefit of potential investigation.

- 5.6.2 *Objectivity and Independence:* To be objective, thorough and independent of influence in conducting inquiries and/or review of relevant documents associated with Whistleblower Concerns.
- 5.6.3 *Maintenance of Confidentiality:* Maintain confidentiality of the Whistleblower and witnesses who provide information, as appropriate.
- 5.6.4 *Clarity in Proceeding:* Document investigation activities and conclusions in a clear and understandable fashion.
- 5.6.5 *Conflict of interest:* If any of the members of the Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Committee would deal with the matter on the hand.
- 5.6.6 *Referral to Committee or Officials:* Make referrals to appropriate committee or officials on discovery of reasonable cause to believe the Concern and follow up until appropriate corrective action has been taken.
- 5.6.7 *Time frame for redressal of Concerns:* Audit Committee shall complete all the formalities and shall resolve the matter within 6 months from the date of filing of the Concerns. Any extension in respect thereof shall be in writing along with necessary justification.
- 5.6.8 *Reporting to Board of Directors of the Company:* Audit Committee shall submit a Report to the Board Meeting that is scheduled to be held immediately after the completion of Whistleblower's Concern.

5.7 ***Actions Prohibited by the Policy:***

- 5.7.1 The Company shall not threaten, discriminate or retaliate against an employee in any manner that affects the employee's employment (i.e. compensation, job location, rights, immunities, promotions, or privileges) when an employee engages in an activity protected by the policy. This does not preclude a supervisor from taking appropriate action against an employee for misconduct, poor job performance, or a reduction in the workforce within the policy of the company.
- 5.7.2 The Company shall not initiate adverse action against an employee who participates or gives information in an investigation or hearing or in any form of inquiry initiated by the Audit Committee.
- 5.7.3 The management of the company shall have an affirmative defense if it can establish by a preponderance of the evidence that the adverse action taken against the employee was due to employee misconduct, poor job performance, or a reduction of workforce unrelated to a communication made pursuant to the Policy.

6.0. EMPLOYEE NOTIFICATION

- 6.1 All employees shall be notified of the existence and contents of this policy through the respective departmental heads and every department head shall submit a certificate duly signed by him to the Nodal officer that Policy was notified to each employee belonging to his department. In case of new employees, the same will be informed by the Personnel department and a statement in this regard shall be submitted to the Nodal officer on a periodical basis.
- 6.2 The Nodal officer will furnish a certificate, based on the certificates received from the respective departments of the company regarding the notification of the Policy, to the Board of Directors and the Board shall take on record of the same.
- 6.3 The intimation in this regard be forwarded to the Stock Exchanges in case the securities of the Company are listed.

7.0. INVESTIGATIONS AND ROLE OF INVESTIGATORS

Investigation:

- 7.1 Investigations shall be launched if,
 - a) the Chairman of Audit Committee primarily satisfied with the Concern;
 - b) the Concern is supported by information and specific enough to be investigated or in cases where the Concern is not supported by specific information and if it is felt that the Concerned matter deserves investigation;
- 7.2 The investigator receives the subject of Concern from the Chairman of Audit Committee. Investigator maintains the confidentiality of the subject.
- 7.3 After primary verification, investigator may ask Chairman, Audit Committee to reveal the identity of the Whistleblower for support of their investigation.
- 7.4 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.
- 7.5 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).
- 7.6 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.
- 7.7 The investigation shall be completed normally within 45 days of the date of receipt of the Protected Disclosure or such extended period as the Chairman, Audit Committee may permit for reasons to be recorded.
- 7.8 Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s):

- 7.9 Investigator(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall derive their authority from Chairman, Audit Committee when acting within the course and scope of their investigation. The Investigator(s) shall submit his / their report to the Chairman, Audit Committee.
- 7.10 All Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of professional approach.

8.0. ACTION

- 8.1 If the Chairman, Audit Committee is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, or/and have Vigilance Angle, then the Chairman, Audit Committee may direct the concerned authority to take appropriate action under applicable statutory provisions including referring the matter to Chief Vigilance Officer of RINL for appropriate action as the case may be.
- 8.2 The Chairman, Audit Committee shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the Protected Disclosure/ Concern and/or to prevent the re-occurrence of such improper activity.
- 8.3 If the Chairman, Audit Committee is of the opinion that the investigation discloses that no further action on the Protected Disclosure/ Concern is warranted, he shall so record in writing.
- 8.4 ***Remedies:***
The Audit Committee rendering judgment under the Policy may recommend to the Management of the Company to order any or all of the following remedies:
- 8.4.1 Order an injunction to restrain continued violation of the provisions of the Policy;
- 8.4.2 Reinstate the employee to the same position or to an equivalent position;
- 8.4.3 Reinstate full fringe benefits and retirement service credit; and
- 8.4.4 Order compensation for lost wages, benefits and any other remuneration.

9.0. REVIEW

The Nodal officer shall submit a quarterly report of the Concerns received and of the investigation conducted and of the action taken to the Chairman, Audit Committee for review.

10.0. FEEDBACK

The employee who submitted the Concern will receive feedback about how the same has been dealt with, whether any corrective measures or process improvements have been recommended and if any further steps will be taken. No details will be released relating to specific individuals and the feedback might be of a general nature, taking into account the interest of RINL to keep its information confidential and the rights of any third parties.

11.0 CONFIDENTIALITY

The Protected Disclosure/Concern will be disclosed only to the employees who have a “need to know” for the purpose of the investigations. All employees involved in the Vigil mechanism process will maintain strict secrecy about the content of any subjects made in accordance with applicable law. Any disclosure of subjects or results of investigations will be authorized by the Chairman of the Audit Committee.

12.0 NON- RETALIATION

RINL will take the necessary measures to protect employees who have, in good faith, made Concerns through the Vigil mechanism Process.

13.0 DOCUMENT RETENTION

- 13.1 The Nodal officer will maintain records of all Concerns, tracking their receipt, investigation and resolution.
- 13.2 Statistical information and data relating to the types of Concerns received and corrective measures taken will be maintained for a minimum period of 5 years from the closing of the investigation, except where otherwise required by local law.
- 13.3 Data relating to a Concern that is found to be unsubstantiated will be deleted without delay.
- 13.4 Data relating to a Concern that is found to be substantiated will be deleted within two months after the investigation is closed and appropriate action taken unless a disciplinary procedure or legal proceeding is initiated against the person incriminated in the Concern or the author of an abusive Concern.

14.0 POLICY SHALL BE AVAILABLE AT THE WEB SITE OF THE COMPANY

The “Policy” as adopted by the Board and amended from time to time shall be made available at the web site of the company. (i.e. www.vizagsteel.com)

15.0 ANNUAL AFFIRMATION ON THE COMPLIANCE OF POLICY

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee of the company (in respect of matters involving alleged misconduct) and that it has provided protection to Whistleblowers from unfair termination and other unfair prejudicial employment practices.

16.0 DISCLOSURE IN CORPORATE GOVERNANCE REPORT

The affirmation as referred to in Clause 15.0 above shall form part of the Board Report on Corporate Governance that is required to be prepared and submitted together with the Annual Report.

17.0 SAVINGS CLAUSE

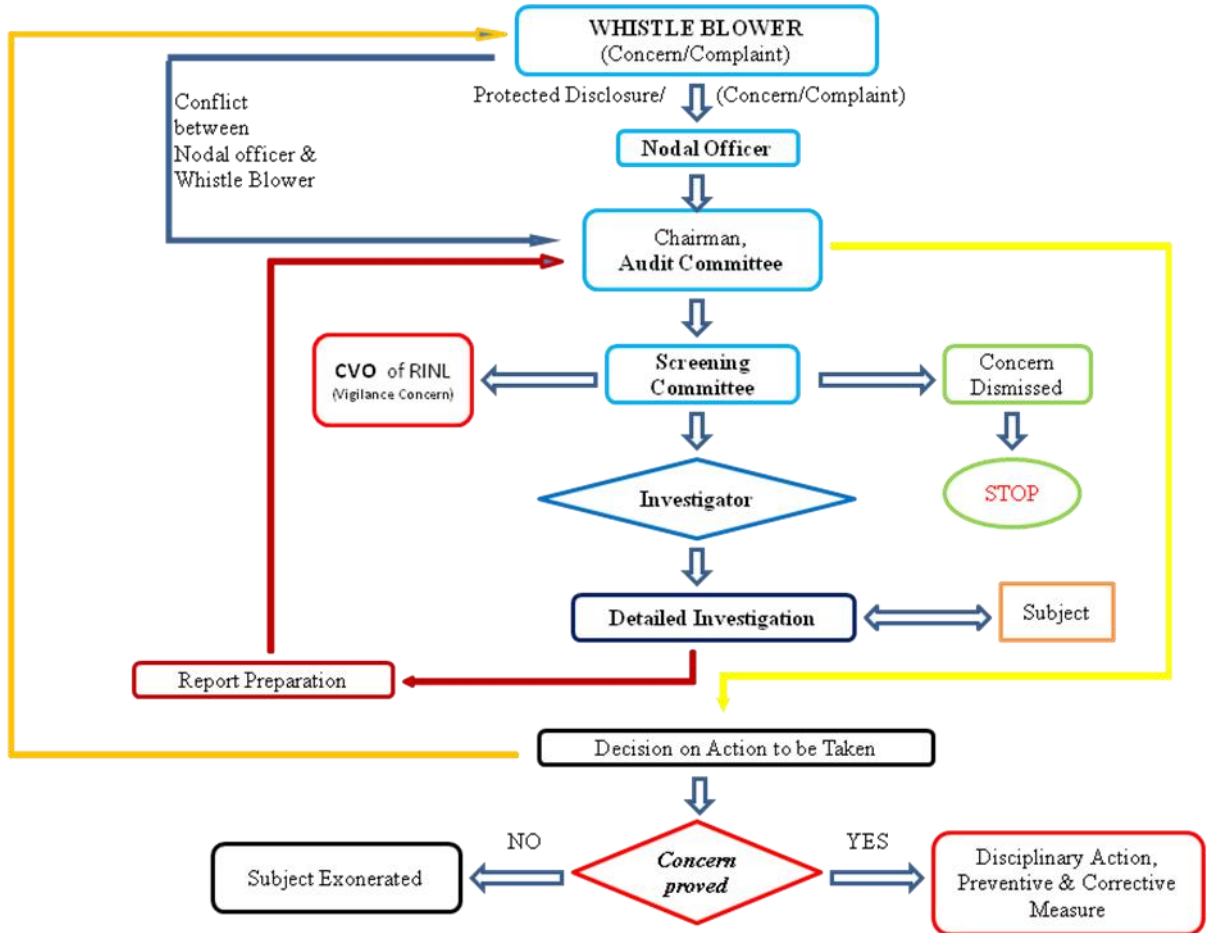
The Board of Directors do hereby authorize the CMD, RINL to alter, amend or modify the clauses of the Policy from time to time in line with the requirements of DPE

Guidelines or any other Act, Rules, Regulations etc. which may be applicable from time to time.

Reference: (1) Corporate Governance Guidelines issued by DPE
(2) Companies Act, 2013 & Companies (Meetings of Board and its Powers) Rules, 2014.

-----The End-----

RINL-VSP Vigil mechanism Policy
Process Flow Chart
(for reference only)



RINL