

# WHISTLE BLOWER POLICY

For

FERRO SCRAP NIGAM LIMITED.

## 1. Preamble

This Policy is formulated to provide opportunity to employees to access in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the company and to prohibits managerial personnel from taking any adverse personnel action against those employees. The role of the employees in pointing out unethical and improper practices or any other wrongful conduct cannot be undermined. Therefore employees should report violations which states Reporting Concerns- *"Every employee of FSNL shall promptly report to the management any unethical and improper practices or any other wrongful conduct in the company or an event he or she becomes aware of that could affect the business or reputation of the Company."*

- The Guidelines issued by Department of Public Enterprises provides for establishment of a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical and improper practices or any other wrongful conduct in the company.
- Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee ( in the absence of Audit Committee to Board ) of the Company.

## 2. APPLICABILITY

This policy applies to all permanent employees of the company.

## 3. POLICY

No adverse personnel action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical practices or alleged wrongful conduct. This policy protects such employees from unfair termination and unfair prejudicial employment practices.

However, this policy does not protect an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

## 4. DEFINITIONS :

- a) **"Adverse Personnel Action"** means an employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

- b) **"Alleged Wrongful Action"** shall mean violation of law, infringement of Company's Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- c) **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company.
- d) **"Code"** means the Code of Conduct for Board and Code of Conduct for senior Management.
- e) **"Compliance Officer"** means, Company Secretary of the company.
- f) **"Employee"** means every employee of the Company in the employment of the Company.
- g) **"Good Faith"** -An employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.

Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

- h) **"Investigators"** mean those persons authorised, appointed, consulted or approached by the Audit Committee / Board and includes the auditors of the Company and the police.
- i) **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- j) **"Company"** means Ferro Scrap Nigam Limited.
- k) **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- l) **"Whistle Blower"** means an Employee making a Protected Disclosure under this Policy.

## 5. Scope

- This Policy is an extension of the Code of Conduct. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as

investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

- Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Board or the Audit Committee or the Investigators.
- Protected Disclosure will be appropriately dealt with by the Audit Committee/ Board.

## 6. Disqualifications

- While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action .
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

## 7. Procedure

- All Protected Disclosures should be addressed to the Chairman of the Audit Committee or Managing Director of the Company . The contact details of the Chairman of the Audit Committee or Managing Director are as under:

Managing Director

FERRO SCRAP NIGAM LIMITED

EQUIPMENT CHOWK,

CENTRAL AVENUE, BHILAI-490001.

CHHATTISGARH-

- **Tel:** 0788-2222474/75 (O),  
**Fax:** 0788-22223884 (O),
- Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Managing

Director shall detach the covering letter and discuss the Protected Disclosure with Members of the Audit Committee and if deemed fit, forward the Protected Disclosure to the Ethics Counsellor of the Company for investigation

- Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee / Managing Director as it would not be possible for it to interview the Whistle Blowers.

## **8. Investigation**

- All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle Officer of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee/ Managing Director.
- Protected Disclosures involving or relating to the Whistle Officer which in the opinion of the Audit Committee / Managing Director may hamper the independence of the Whistle Officer in conducting the investigation will be investigated by the Audit Committee itself.
- On initial enquiries, if it indicate to the Whistle Officer that the concern has no basis, or it is not a matter to be investigation pursued under this policy, it may be dismissed at this stage and the decision is documented.
- The Whistle Officer / Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- Subjects shall have a duty to co-operate with the Whistle Officer / Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- Subjects have a right to consult with a person or persons of their choice, other than the Whistle Officer / Investigators and / or members of the Audit Committee and / or the Whistle Blower.
- Subjects 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 Subjects.
- Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## **9. Protection**

- No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. FSNL, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the whistle Officer /Audit Committee (e.g. during investigations carried out by Investigators).
- Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **10. Investigators**

- Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- Investigations will be launched only after a preliminary review which establishes that:
  - the alleged act constitutes an improper or unethical activity or conduct, and
  - either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

## **11. Decision**

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall direct the management of the Company to take such disciplinary or corrective action as the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an

investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

## **12. Reporting**

The Whistle Officer shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him / her since the last report together with the results of investigations, if any.

### **a) Retention of documents**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

## **13. Notification**

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. Every department head shall submit a certificate duly signed by him to the Compliance Officer that this policy was notified to each employees of his department. The new employees shall be informed about the policy by the Personnel Department and statement in this regard should be periodically submitted to the Compliance Officer.

This policy as amended from time to time shall be made available at the web site of the Company.

## **14. Annual Affirmation**

The company shall annually affirm that it has not denied any personnel access to the Audit Committee / Managing Director and that it has provided protection to whistle blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the company.

## **15. Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

Date :