

Whistle Blower Policy of Numaligarh Refinery Limited

1. Objective

As a part of Corporate Governance guidelines, Clause 49 of the Listing Agreement provides for institution of Whistle Blower Mechanism which is a non mandatory requirement. In the same line, Department of Public Enterprises issued guidelines on Corporate Governance for CPSUs in May, 2010, which are mandatory in nature and advised for institution of Whistle Blower Mechanism.

The guideline stated that the company may establish a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud, or violation of the company's General Guidelines on conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organization. Reviewing the functioning of the whistle blower mechanism has also been covered under the scope of Audit Committee of the Board.

Numaligarh Refinery Limited endeavours to work against corruption in all its forms, including demanding and accepting bribe, illegal gratification or unjust rewards and appropriate provisions have been incorporated in the Conduct, Discipline and Appeal Rules /Model Standing Orders applicable to employees.

In pursuance of the above objective and as per mandatory guideline on Corporate Governance issued by DPE in May,2010, the Board of Directors of the Company have decided to frame a "Whistle Blower Policy" to ensure greater transparency in all aspects of the Company's functioning, by formulating a procedure for employees to bring to the attention of the Company, incidents of improper activities without fear of victimization.

The objective of this policy is to build and strengthen a culture of transparency and trust in the Company and to provide employees with a framework/procedure for responsible and secure reporting of improper activities (whistle blowing) and to protect employees wishing to raise a concern about improper activity/serious irregularities within the organisation.

2. Definitions

In this Policy unless repugnant to the subject or context of its usage, the following expressions shall carry meanings hereunder assigned to them, namely:

- a) **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956.
- b) **"Bonafide Complaint"** A Complaint shall be deemed to be bona fide unless it is found to be motivated.
- c) **"Complaint"** means an expression of an Improper Activity of any employee or group of employees of the Company made by a Complainant/Whistle Blower in writing in conformity with this Policy.

- d) **“Complainant/Whistle Blower”** means an employee of the Company who has made a Protected Disclosure under this Policy.
- e) **“Company”** means Numaligarh Refinery Limited.
- f) **“Competent Authority”** means 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.
- g) **“Employee”** means a Management Staff as defined in the Conduct, Discipline and Appeal Rules applicable to Management staff and permanent workmen as defined in the applicable Model Standing Orders and includes a person on deputation to/from the Company.
- h) **“Improper Activity”** means any activity by an employee of the Company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the rules of conduct applicable to the employee, including, but not limited to, abuse of authority, breach of contract, manipulation of company data, pilferage of confidential/proprietary information, criminal offence, corruption, malfeasance, bribery, theft, conversion or misuse of the Company’s property, fraudulent claim, fraud or willful omission to perform the duty, or that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency.

Activities which have no nexus to the working of the Company and are purely of personal nature are specifically excluded from the definition of Improper Activity.

- i) **“Investigate”** with its grammatical variations means the investigation of a Complaint conducted by investigative machinery pursuant to this policy.
- j) **“Investigator (s)”** means those person (s) authorised, appointed, consulted or approached by the Competent Authority in connection with conducting investigation into a Complaint.
- k) **“Motivated Complaint”** A Complaint shall be deemed to be motivated if it is found to be deliberately false or motivated by revenge, enmity or mischief or other extraneous considerations.
- l) **“Policy”** means this Whistle Blower Policy.
- m) **“Protected Disclosure”** means a bonafide Complaint of Improper Activity.
- n) **“Subject”** means an employee against or in relation to whom a protected disclosure has been made or evidence gathered during the course of investigation.
- o) **“Victimisation”** means any act by which the Complainant/Whistle Blower is victimised for making a Complaint in good faith.

3. Eligibility

All employees of the Company are eligible to make “Protected Disclosures”.

4. Essentials of Complaint

A Complaint shall be in writing, signed by the Complainant/Whistle Blower and should be attached to a letter bearing the identity of the Complainant/Whistle Blower i.e. his/her name, employee number and location. Anonymous or pseudonymous Complaints shall not be entertained.

The Complaint shall be in a sealed envelope and addressed to the Competent Authority. If the Complainant/Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Complainant/Whistle Blower, the Complainant/Whistle Blower may send the Complaint directly to the Audit Committee of the Board of Directors of the Company through the Company Secretary.

The Complaint should either be typed or written in legible hand writing in English, Hindi or the Regional language of the place of employment of the whistle blower 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 specific information as possible and should help in initial assessment and investigation.

The Complainant/Whistle Blower may not be an investigator and hence is not expected to have conducted any independent investigation prior to making the Complaint. The Complainant/Whistle Blower is, however, expected to have knowledge of the facts on which the Complaint is based and must, therefore, disclose sufficient facts about the existence of Improper Activity by an employee of the Company in the Complaint. The Complainant/Whistle Blower must also disclose that the Complaint is not, on the face of it, motivated, for which the Complainant/Whistle Blower shall disclose the relationship or dealings of the Complainant/Whistle Blower with Subject(s) in the Complaint.

The Corporation will not entertain or enquire into any Improper Activity 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.

5. Investigation:

On receipt of a Complaint, the Competent Authority shall detach the covering letter and verify/confirm the authenticity of the Complainant/Whistle Blower.

The Competent Authority shall thereafter determine whether the circumstances warrant an investigation into the Complaint in the case. If the Competent Authority determines that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.

If the Competent Authority is prima facie satisfied that the Complaint warrants investigation of the alleged Improper Activity, Competent Authority will direct appropriate investigating machinery of the Company to investigate the Complaint.

The decision to conduct an investigation by the Competent Authority is by itself not to be construed as an accusation and is to be treated as a neutral fact-finding process.

The investigation shall be fair and objective, and shall be undertaken by a person or persons who have no conflict of interest either with the Complainant/Whistle Blower or with the Subject(s).

All employees of the Company are duty bound to co-operate with the investigator(s) to the extent that their cooperation will not compromise self-incrimination protection afforded under the law.

Subject(s) will normally be informed of the allegations at the outset of a formal investigation, and will have opportunity for inputs during investigation.

Subject(s) will not be entitled to any form of representation, including legal representation, during investigation.

The investigation shall be completed within 45 (forty five) days or such extended period as the Competent Authority may permit for reasons to be recorded. The period fixed for the investigation is the essence, since action(s), if any, to be taken on the Complaint will depend on investigation, and speedy action is the essence of this Policy.

The Investigator(s) will submit a report on the investigation to the Competent Authority, which shall mark the completion of the investigation, unless the Competent Authority requires any further investigation into any specific charge(s) or aspect(s), in which event the Competent Authority will specify the charge(s) or aspect(s) on which the further investigation is to be undertaken, and will fix the time within which the further investigation will be completed.

Subject(s) has/have the right to be informed of the outcome of the investigation.

6. Protection

A Complainant/Whistle Blower of a Protected Disclosure shall be entitled to the following protections:

- (i) To the extent possible within the limitations of the law and requirements of the investigation, the identity of the Complainant/Whistle Blower shall be kept confidential by the Competent Authority, and shall not be disclosed unless such disclosure is necessary for proper investigation. Any such disclosure, if made, for the purpose of a proper investigation shall carry with it a caveat of secrecy and non-disclosure by the recipient, so that any further unauthorised disclosure by such person of the identity of the Complainant/Whistle Blower shall constitute a breach of the Code of Conduct applicable to such person; and
- (ii) Protection of the Complainant/Whistle Blower against victimisation.

Similarly, confidentiality of identity of the Subject(s) under investigation shall be maintained within the same limitations.

The Complainant/Whistle Blower will be entitled to information on the disposition of the Complaint in the absence of over-riding legal or public interest against such disclosure.

7. Grievances

If the Complainant/Whistle Blower or Subject feels aggrieved with the action taken by the Managing Director of the Company, he/she may make a representation in writing of his or her grievance to the Chairman of the Audit Committee, who shall take or direct such action on the representation as he shall deem fit. The decision of the Chairman of the Audit Committee shall be final and binding on the Complainant/Whistle Blower and on the Subject(s).

8. Action

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 report the offence(s) to the appropriate law enforcement agency for investigation and/or action.

If the Competent Authority is of the opinion that the investigation discloses the existence of Improper Activity which warrants disciplinary action against Subject(s) or any other person(s), the Competent Authority shall report the matter to the concerned Disciplinary Authority for appropriate disciplinary action.

The Competent Authority shall take such other remedial action as deemed fit to remedy the Improper Activity mentioned in the Complaint or to prevent the re-occurrence of such Improper Activity.

If the Competent Authority is of opinion that the investigation discloses that no further action on Complaint is warranted, he shall so record in writing and also inform Complainant/Whistle Blower in writing.

If the Competent Authority is satisfied that the complaint is false, motivated or vexatious, the Competent Authority may report the matter to the concerned Disciplinary Authority for appropriate disciplinary action against Complainant/Whistle Blower.

A Complainant/Whistle Blower who makes three Complaints, which have been subsequently found to be malafide, frivolous, baseless, malicious or reported otherwise than in good faith, will be disqualified from reporting further Complaints under this Policy.

9. Reporting & Review

The Competent Authority shall submit a quarterly report of the Complaint, of the investigation conducted, and of the action taken to the Audit Committee, who shall have power to review any action or decision taken by the Competent Authority.

All employees of the Company shall abide by, obey and be bound to implement any decision taken or direction given by the Audit Committee under or pursuant to this Policy.

10. Amendment

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