

STEEL AUTHORITY OF INDIA LIMITED
NEW DELHI
(CIN:L27109DL1973GOI006454)

THE CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL
OF
STEEL AUTHORITY OF INDIA LIMITED, 2015.

1.0 INTRODUCTION:

- 1.1 This Code of Conduct (“this Code”) shall be called "The Code of Conduct for Board Members and Senior Management Personnel of Steel Authority of India Limited, 2015” (hereinafter referred to as “the Company”).
- 1.2 The subject Code has been framed specifically in compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchange(s)(Listing Agreement).
- 1.3 The purpose of this Code is to enhance further an ethical and transparent process in managing the affairs of the Company.
- 1.4 It shall come into force with effect from the date: 19th May, 2015.

2. DEFINITIONS & INTERPRETATIONS:

- 2.1 The term "**Board Members**" shall mean Directors on the Board of Directors of the Company.
- 2.2 The term “**Whole-time Director**” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.
- 2.3 The term “**Part-time Director**” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 2.4 **The term “Relative” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 (Refer Appendix-I)**
- 2.5 The term “**Senior Management Personnel**” shall mean all Chief Executive Officers and Executive Directors of the Company.
- 2.6 In this Code words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

3. **APPLICABILITY:**

3.1 This Code shall be applicable to the following persons:

- a) All Whole-time Directors including the Chairman of the Company.
- b) All Part-time Directors.
- c) All Senior Management Personnel of Steel Authority of India Limited.

3.2 The Whole-time Directors and Senior Management Personnel would continue to comply with other applicable/ to be applicable Policies, Rules and Procedures of the Company. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

4.0 **KEY REQUIREMENTS:**

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company. They must observe the following Code of Conduct:

- Shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct while working for the Company as well as representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.
- Shall not involve themselves in making any decision on a subject matter in which a conflict of interest arises or could arise, between their personal interest and the interest of the Company. In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create conflict of interest to: (a) Board of Directors in case of Directors (Whole-time & Part-time) and (b) Chairman in case of Senior Management Personnel for further directions in the matter.
- Shall avoid conducting business with a relative or with private company in which the relative is a member or a public limited company in which a relative holds 2% or more shares or voting right or with a firm in which a relative is a partner.
- Shall avoid having any personal and/or financial interest in works or contracts or any business dealing concerning the Company.
- Shall avoid entering into a contract by the Company with self or relative for leasing of the property and then effecting renovation therein with the Company's money.

- Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
- Shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interest of the Company.
- Shall not exploit for their own personal gain, opportunities that are discovered through Company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors or Chairman as the case may be.
- Shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud.
- Shall comply with all applicable laws, rules and regulations and any violation thereon may make them personally liable. Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.
- Shall not serve as a Director of any other Company or as a partner of a firm that competes with the Company. Whole-time Directors and Senior Management Personnel shall obtain approval of the Chairman prior to accepting directorship of any other company or partnership of a firm.
- Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and, therefore, constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of (i) trading in the shares of the Company, (ii) transactions having personal interest and (iii) related party transactions that are required to be made under laws, rules & regulations and Code for prevention of Insider Trading in the Securities of SAIL.
- Shall protect the Company's assets, labour and information including intellectual assets and may not use these for personal use, unless authorized to do so.

- Shall work unstintingly for eradication of corruption of all spheres of life, remain vigilant and work towards growth and reputation of the Company, bring prior to the organization and provide value based services to company's stake holders and do duty conspicuously and without fear or favour.
- Shall strive to achieve highest quality, effectiveness and dignity in both processes and products of professional work and shall acquire and maintain professional competence continuously.
- Shall always keep in mind that they are accountable to Company's stake holders viz. customers, vendors, shareholders, employees and the society at large to which the Company is responsible for its actions.
- Shall not make any statement which has the effect of adverse criticism of any policy or action of the Government or which is capable of embarrassing the relations between the Company and the public including all the stake holders. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board member which are purely factual in nature and are not considered as confidential in his official capacity or in due performance of the duties assigned to him.
- The value of equality, tolerance, respect for others and the principles of equal justice govern this imperative. Discrimination, on the basis of race, sex, religion, age, disability, national origins or other such factors is an explicit violation of this Code.
- Public representation and confidentiality of information : Any information regarding the Company's business, its customers, suppliers, etc. to which the officers have access or which is possessed by the officers, must be considered privileged and confidential and should be held in confidence at all times and should not be disclosed to any person any person, unless (i) authorized by the board ; or (ii) the same is part of the public domain at the time of disclosure ; or (iii) is required to be disclosed in accordance with applicable laws.
- No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

4.1 DUTIES OF INDEPENDENT DIRECTORS:

In addition to the above Key Requirements, the duties of Independent Directors as presently provided in the Companies Act, 2013 or which may be provided in future in the Companies Act, 2013 or in the Listing Agreement shall also form part of this Code of Conduct. In terms of the existing provisions of the Companies Act, 2013, the Independent Directors shall—

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the company;
- vi. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- vii. keep themselves well informed about the company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- x. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

5.0 ENFORCEMENT OF CODE OF CONDUCT

- (i) Company Secretary shall be the Compliance Officer for the purpose of this Code. Any member of Board or Senior Management Personnel requiring any clarification regarding the Code of Conduct may contact the Compliance Officer.
- (ii) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.
- (iii) Compliance Officer shall report breach of this Code, if any, which comes to his notice to the: (a) Board in case of all Board members and (b) Chairman in case of Senior Management Personnel.

- (iv) All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this Code.
- (v) The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.
- (vi) Penalty for breach of this Code by Senior Management Personnel shall be determined by the Chairman. In case of breach of this Code by the Whole-time Directors and/or Part-time Directors, the same shall be examined and determined by the Board.
- (vii) Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

6.0 WAIVER OF THE CODE

- 6.1 No waiver of any of the provisions of this Code shall be effective unless, the Board of Directors of the Company approves such waiver in case of Board Members and by Chairman in case of Senior Management Personnel.
- 6.2 The provisions of this Code may be amended, as necessary, by the Board of Directors of the Company from time to time.

7.0 POSTING OF THE CODE ON THE COMPANY'S WEBSITE

As required by Clause 49 of the Listing Agreement this Code and any amendments thereto shall be posted on the website of the Company.

8.0 AFFIRMATION OF COMPLIANCE OF THE CODE

It terms of clause 49 of the listing agreement all Board Members and Senior Management Personnel shall within 30 days of close of every financial year affirm compliance with the Code. A proforma of Annual Compliance Report is annexed to this Code as **Appendix-II**. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

If any Director/Senior Management Personnel leaves the Company any time during a financial year, he shall send a communication to the Compliance Officer affirming compliance of the Code till the date of his association with the company.

9.0 **ACKNOWLEDGEMENT OF RECEIPT OF THE CODE**

All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code in the acknowledgement form annexed to this Code (**Appendix-III**) indicating that they have received, read and understood, and agreed to comply with the Code and send the same to the Compliance Officer. Upon any revision of this Code, the Board Members and Senior Management Personnel shall similarly sign an acknowledgement (**Appendix-III**). New Directors shall sign such an acknowledgement (**Appendix-III**) at the time when their Directorship begins.

---x---

STEEL AUTHORITY OF INDIA LIMITED

**CODE OF CONDUCT FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF
SAIL, 2015**

EXTRACT OF SECTION 2(77) OF THE COMPANIES ACT, 2013

Meaning of 'relative'

2(77). A person shall be deemed to be a relative of another, if, and only if,-

- a) they are members of a Hindu undivided family; or
- b) they are husband and wife; or
- c) the one is related to the other in the manner indicated in Rule 4 of Companies (Specification of Definitions Details) Rules, 2014

Rule 4 of Companies (Specification of Definitions Details) Rules, 2014

LIST OF RELATIVES

- 1. Father (including step-father)
- 2. Mother (including step-mother)
- 3. Son (including step-son)
- 4. Son's wife
- 5. Daughter
- 6. Daughter's husband
- 7. Brother (including step-brother)
- 8. Sister (including step-sister)

STEEL AUTHORITY OF INDIA LIMITED

**CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF
SAIL, 2015**

ANNUAL COMPLIANCE REPORT

Ido hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the **CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF SAIL, 2015** during the year ending 31st March -----

Signature :

Name :

Position :

Date :

Place :

STEEL AUTHORITY OF INDIA LIMITED

**CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF
SAIL, 2015**

ACKNOWLEDGEMENT FORM

I, have received and read the Company's
"CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL OF SAIL, 2015 (this "Code"). I have
understood the standards and policies contained in the Code. I agree to comply
with this code.

Signature :

Name :

Position :

Date :

Place :

