



RASHTRIYA ISPAT NIGAM LIMITED
(CIN No. U27109AP1982GOI003404)
VISAKHAPATNAM STEEL PLANT
VISAKHAPATNAM

COMPANY AFFAIRS DEPARTMENT

No. CA-CBC & Ethics/2020-21

Dt. 01st April, 2020

CIRCULAR


Sub:- **Affirmation compliance with the Code of Business Conduct and Ethics for Board Members and Senior Management in RINL/VSP on an annual basis for the F.Y. 2019-20.**

The Board of Directors of RINL/VSP at their 230th Meeting held on 13th November, 2007 approved the Code of Business Conduct and Ethics for Board Members and Senior Management in RINL/VSP for implementation in RINL/VSP in terms of the Corporate Governance Guidelines issued by DPE on the same earlier. The same are made mandatory for all PSUs with effect from May, 2010 onwards.

In terms of the said Guidelines, all the Board Members and senior Management personnel (i.e., **E-7 level (HODs) and above**) are required to affirm compliance with the Code of Business Conduct on an annual basis.

Copy of the above said Guidelines have been made available on Company Affairs Department Portal on intranet (www.vpsite.org) and also on company website (www.vizagasteel.com) for ready reference.

You are requested to kindly affirm the Compliance as per the Form enclosed (**Annexure**) and arrange to send it to the undersigned for the year ending 31st March 2020 at the earliest but not later than **30th April, 2020.**


(M. Jagadeeshwara Rao)
01-04-2020
Company Secretary.

Encl: As above.

**RASHTRIYA ISPAT NIGAM LIMITED
VISAKHAPATNAM STEEL PLANT
VISAKHAPATNAM**

**ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND
ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management Personnel of Rashtriya Ispat Nigam Limited. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult Director (Personnel) or Company Secretary of the Company i.e., RINL/VSP knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

AFFIRMATION

(By Board Members/Senior Management of the Company on Annual basis by 30th April of every year)

I _____ (Name),
_____ (designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March, 2020.

Signature

Name :

Design:

Emp.No.

Max No:

Telephone No.

Place: Visakhapatnam

Date:



RASHTRIYA ISPAT NIGAM LIMITED
(CIN No. U27109AP1982GOI003404)
VISAKHAPATNAM STEEL PLANT
VISAKHAPATNAM

GUIDELINES ON THE CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF RINL

1.0 Introduction

- 1.1 This Code shall be called `The Code of Business Conduct & Ethics for Board Members and Senior Management_ of Rashtriya Ispat Nigam Limited (hereinafter referred to as `the Company_).
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.
- 1.3 This Code for Board Members and Senior Management has been framed specially in compliance of the provisions of the Guidelines issued by Department of Public Enterprises (DPE) and also in compliance with the provisions of the Companies Act, 2013.
- 1.4 This code was originally framed and come into force with effect from 13th November, 2007 and subsequently revised in compliance to the Companies Act, 2013.

2.0 Definitions and Interpretations

- 2.1 The term `*Board Members*_ shall mean Directors on the Board of Directors of the Company.
- 2.2 The terms `*Whole time Directors*_ or `*Functional Directors*_ 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 Directors*_ 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 `*Independent Directors*_ shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing agreement (as revised from time to time).
- 2.5 The term `*Relative*_ shall have the same meaning as defined in Section 2(77) Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014 (Refer **Appendix-1**).
- 2.6 The term `*Senior Management Personnel*_ shall mean personnel of the Company who are members of its core management team excluding Board of

Directors and would comprise all executives in the grades of E-9, E-8 and HODs in the Grade of E-7.

2.7 The term **`the Company`** shall mean Rashtriya Ispat Nigam Limited.

Note: In this Code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3.0 Applicability

3.1 This code shall applicable to the following personnel:

- a) All Whole time Directors including the Chairman & Managing Director of the Company.
- b) All Part-time Directors including Independent Directors under the provisions of Companies Act, 2013.
- c) Senior Management Personnel.

3.2 The Whole-time Directors and Senior Management Personnel should continue to complete with other applicable / to be applicable policies, rules and procedures of the Company.

4.0 Contents of Code

Part I	General Moral Imperatives
Part II	Specific Professional Responsibilities
Part III	Specific Additional Provisions for Board Members and Senior Management Personnel.

This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART I

5.0 GENERAL MORAL IMPERATIVES

5.1 **Contribute to society and human well being**

5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

5.1.2 Therefore, all Board Members and Senior Management Personnel who are accountable for the design, development, manufacture and promotions of company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.2 **Be honest and trustworthy & Practice integrity**

5.2.1 Integrity and honesty are essential components of trust, without trust an organization cannot function effectively.

5.2.2 All Board Members and Senior Management Personnel are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Company.

5.3 **Be fair and take action not to discriminate**

5.3.1 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, caste, age, disability, national origins or other such factors, is an explicit violations of this Code.

5.4 **Honour confidentiality**

5.4.1 The principle of honesty extends to issue of confidentiality of information. The ethical concern is to respect all obligation of confidentiality, to all stakeholders unless discharged from such obligation by requirements of the law or other principles of this Code.

5.4.2 All Board Members and Senior Management Personnel, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company.

5.5 **Pledge & Practice**

5.5.1 To strive continuously to bring about integrity and Transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organization and provide value based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour.

PART-II

6.0 Specific Professional Responsibilities

Live the Vision & Core Values of RINL each day. For ready reference they are given here under:

VISION

To be the most efficient Steel Maker having the largest single location shore based steel plant in the country.

CORE VALUES

- I Initiative:** Have a self-propelled & proactive approach.
- D Decisiveness:** Decide with speed & clarity.
- E Ethics:** Be consistent with professional & moral values
- A Accountability:** Take responsibility for actions.
- L Leadership:** Lead by example
- S Speed:** Demonstrate swiftness and efficiency in everything we do.

6.1 Strive to achieve the highest quality, effectiveness and dignity in both the process and products of professional work

Excellence is perhaps the most important obligations of a professional. Everyone, therefore, should strive the highest quality, effectiveness and dignity in their professional work.

6.2 Acquire and maintain professional competence

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence.

All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

6.3 Compliance with Laws

The Board Members and Senior Management Personnel of the Company shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of Company.

6.4 Accept and provide appropriate professional review

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

6.5 Manage personnel and resources to enhance the quality of working life

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and co-operations thus enhancing the quality of working.

6.6 Be upright and avoid any inducements

The Board Members and Senior Management Personnel shall not, directly, or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc.,

6.7 Observe Corporate Discipline

The flow of communications within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.8 Conduct in a manner that reflects credit to the Company

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organisation and by the public at large.

6.9 Be accountable to Company's stakeholders

All of those we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.10 Prevention of Insider Trading

The Board Members and Senior Management Personnel shall comply with the code of Internal Procedures and conduct for prevention of Insider Trading in dealing with Securities of the Company.

6.11 Identify, mitigate and manage business risks

It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist to the Company wide process of managing such risks, so that Company may achieve its wider business objectives.

6.12 Protect properties of the Company

The Board Members and Senior Management Personnel shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

PART-III

7.0 Specific Additional Provisions for Board Members and Senior Management Personnel

7.1 As Board Members and Senior Management Personnel, they shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

- 7.2.1 Undertake to inform the Chairman and Managing Director/Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/circumstances/conditions that may interfere with their ability to perform Board/Board Committee duties or may impact the judgement of the Board as to whether they meet the independence requirements of Listing Agreement with Stock Exchanges and the Guidelines of DPE.
- 7.2.2 Undertake that without prior approval of the disinterested members of the Board they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company, Illustrative cases can be:

Related Party Transactions: Entering into any transaction or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.

Consultancy/Business/Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.

Use of Official position for personal gains: Should not use their official position for personal gains.

7.3 Duties of the Directors

The Directors of the Company should adhere the duties and responsibilities as specifically mentioned in the Companies Act, 2013 as detailed below: However, it should by no means be considered to be exhaustive:

- The Directors shall devote sufficient time and attention to professional obligations for informed and balanced decision making.
- The Directors shall act in accordance with the articles of association of the company and in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- The Directors shall have a clear understanding of the aims and objectives, capabilities and capacity and various policies of the Company.
- The Directors shall exercise their duties with due and reasonable care, skill and diligence.

- The Directors shall bring an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct and an objective view in the evaluation of the performance of the Board and the Management.
- The Directors shall ensure that the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice.
- The Directors shall strive to attend and participate constructively & actively, in all general meetings, meetings of the Board and its committees of which they are Chairman or member.
- The Directors shall not assign his office of director of the company to another person.
- The Directors shall ensure that adequate deliberations are held before approving related party transactions and shall assure themselves that the same are in the best interest of the company.
- The Director shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- The Director shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

7.4 **Compliance with respect to Companies Act, 2013**

The Board of Directors and the Senior Management Personnel shall ensure compliance of various legal/regulatory requirements as applicable to the business of the Company and endeavour that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.

7.4.1 **Whistle Blower**

The Board of Directors and the Senior Management Personnel shall report concerns about unethical behaviour, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Vigil Mechanism (Whistle-blower) Policy of the Company, which is available at www.vizagsteel.com/insiderinl/Vigil%20mechanism%20Policy.pdf

7.4.2 **Related Party**

Any transaction falling under the definition of related party transactions as per the provisions of the Companies Act, 2013 and the Listing Agreement and as detailed in the Related Party Transaction Policy of the Company must be entered into by the Director or the Senior Management Personnel only after obtaining prior

approval of the Board or any Committee thereof. Policy for Related Party Transactions is available at https://www.vizagsteel.com/insiderinl/RPT_Policy.pdf

7.5 **Compliance with the Code of Business Conduct and Ethics**

- 7.5.1 All Members of the Board and Senior Management personnel of Company shall affirm compliance with the Code on annual basis within 30 days from the close of every financial year and acknowledge the receipt of this code or modification(s) thereto as per the Form at **Appendix-II**.

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management Personnel to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

- 7.5.2 Treat violations of this code as inconsistent association with the organization Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management Personnel does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.6 **Specific Code for Independent Directors as per Schedule IV of Companies Act, 2013**

- 7.6.1 The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

7.6.2 **Guidelines of professional conduct**

An Independent Director shall:

- Uphold ethical standards of integrity and probity;
- Act objectively and constructively while exercising his duties;
- Exercise his responsibilities in a bona fide manner in the interest of the company;
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;

- Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- Assist the company in implementing the best corporate governance practices.

7.6.3 Role and functions:

The Independent Directors shall:

- Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Bring an objective view in the evaluation of the performance of board and management;
- Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- Safeguard the interests of all stakeholders, particularly the minority shareholders;
- Balance the conflicting interest of the stakeholders;
- Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

7.6.4 Duties

The Independent Directors shall :

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the company;
- 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;
- Keep themselves well informed about the company and the external environment in which it operates;
- Not to unfairly obstruct the functioning of an otherwise proper Board or

- committee of the Board;
- 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;
 - 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;
 - Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
 - Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
 - 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.

7.7 **Miscellaneous Points.**

7.7.1 **Continual updation of Code.**

This code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modifications shall take effect prospectively from the date stated therein.

7.7.2 **Where to seek clarifications**

Any member of Board or Senior Management Personnel requiring any clarification regarding this code of conduct may contact Director (Personnel)/Company Secretary/ any officer specifically designed by the Board of Directors.

7.7.3 **Publication of the code**

This code and any amended thereto shall be published/ posted on the website of the company i.e., www.vizagsteel.com.

<https://www.vizagsteel.com/insiderin/CODE%20OF%20BUSINESS%20CONDUCT.pdf>.

**List of relatives in terms of Section 2(77) of the Companies Act , 2013 read with
Companies (Specification of Definitions of Details) Rules, 2014**

List of relatives in terms of clause (77) of Section 2 of the Companies Act, 2013, A person shall be deemed to be the 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 - Provided that the term `Father_ includes step-father
- 2) Mother - Provided that the term `Mother_ includes step-mother.
- 3) Son - Provided that the term `Son_ includes the step-son.
- 4) Son's Wife
- 5) Daughter
- 6) Daughter's Husband
- 7) Brother - Provided that the term `Brother_ includes the step-brother.
- 8) Sister - Provided that the term `Sister_ includes the step-sister.

RASHTRIYA ISPAT NIGAM LIMITED

(CIN No. U27109AP1982GOI003404)

VISAKHAPATNAM STEEL PLANT

VISAKHAPATNAM

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management Personnel of Rashtriya Ispat Nigam Limited. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult Director (Personnel) or Company Secretary of the Company i.e., RINL/VSP knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

AFFIRMATION

(By Board Members/Senior Management of the Company on annual basis by 30th April of every year)

I _____ (Name),
_____ (designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March, YYYY.

Place: Visakhapatnam

Date:

Signature

Name :

Din No.

Telephone No.