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## **ORISSA SPONGE IRON & STEEL LIMITED**

### **VARIOUS POLICIES & CODES FRAMED BY THE COMPANY FOR GOOD CORPORATE GOVERNANCE**

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## ORISSA SPONGE IRON & STEEL LIMITED

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

#### 1. PREFACE

- 1.1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.
- 1.3. Under these circumstances, the Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

#### 2. POLICY OBJECTIVES

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases.
- 2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

#### 3. SCOPE OF THE POLICY

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

#### 4. DEFINITIONS

- 4.1. **"Alleged wrongful conduct"** shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".



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- 4.2. **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.
- 4.3. **“Board”** means the Board of Directors of the Company.
- 4.4. **“Company”** means Orissa Sponge Iron & Steel Limited and all its offices.
- 4.5. **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by Orissa Sponge Iron & Steel Limited
- 4.6. **“Employee”** means all the present employees and whole time Directors of the Company (Whether working in India or abroad).
- 4.7. **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 4.8. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 4.9. **“Vigilance and Ethics Officer”** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 4.10. **“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

## 5. **ELIGIBILITY**

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## 6. **RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.**

- 6.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as **“Protected disclosure under the Whistle Blower policy”**. Alternatively, the same can also be sent through email with the subject **“Protected disclosure under the Whistle Blower policy”**. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.
- 6.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.



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6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee/ CEO/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

6.5. All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee/ CEO/ Chairman in exceptional cases. The contact details of the Vigilance and Ethics Officer is as under:-

**Name and Address**

**Mr. Munir Mohanty**  
**Director & CFO**  
**Chatterjee International Centre, 11<sup>th</sup> Floor**  
**33A, J.L.Nehru Road,**  
**Kolkata 700071**  
**[munir@mohanty.com](mailto:munir@mohanty.com)**

6.6. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Managing Director and the Protected Disclosure against the managing Director should be addressed to the Chairman of the Audit Committee. The contact details of the Managing Director and the Chairman of the Audit Committee are as under:

**Dr. P.K.Mohanty**  
**Vice Chairman & Managing Director**  
**Chatterjee International Centre, 11<sup>th</sup> Floor**  
**33A, J.L.Nehru Road,**  
**Kolkata 700071**  
**[corporate@osil.com](mailto:corporate@osil.com)**

**Mr. B.K.Sarkar**  
**Chairman of the Audit Committee**  
**Chatterjee International Centre, 11<sup>th</sup> Floor**  
**33A, J.L.Nehru Road,**  
**Kolkata 700071**  
**[corporate@osil.com](mailto:corporate@osil.com)**

6.7. On receipt of the protected disclosure the Vigilance and Ethics Officer / Managing Director/ Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance and Ethics Officer / Managing Director for processing the complaint
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee/ other action(s).

6.8. The Audit Committee, if deems fit, may call for further information or particulars from the complainant.



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## 7. INVESTIGATION

- 7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8. Subject(s) have a right to be informed of the outcome of the investigations. 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.
- 7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

## 8. DECISION AND REPORTING

- 8.1. If an investigation leads the Vigilance and Ethics Officer / Managing Director/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Managing Director/ Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem 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.
- 8.2. The Vigilance and Ethics Officer shall submit a report to the Chairman of 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.
- 8.3. In case the Subject is the Vigilance & Ethics Officer/Managing Director, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.



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- 8.4. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## 9. **SECRECY / CONFIDENTIALITY**

- 9.1. The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
- 9.1.1. Maintain confidentiality of all matters under this Policy
  - 9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
  - 9.1.3. Not keep the papers unattended anywhere at any time
  - 9.1.4. Keep the electronic mails / files under password.

## 10. **PROTECTION**

- 10.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, 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.
- 10.2. Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.
- The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.



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10.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. **ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. **COMMUNICATION**

A whistle Blower policy cannot be effective unless it is properly communicated to the employees. Employees shall be informed through by publishing in notice board and the website of the company.

13. **RETENTION OF DOCUMENTS**

All Protected disclosures in writing or ocumented along with theresults of Investigation relating thereto, shall be retained by the Company fora period of 7 (seven) years or such other period as specified by any other law in force, whichever s more.

14. **ADMINISTRATION AND REVIEW OF THE POLICY**

The Managing Director shall be responsible for the administration, application and interpretation, and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

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 and Directors unless the same is notified to them in writing.



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## ORISSA SPONGE IRON & STEEL LIMITED

### RISK MANAGEMENT POLICY

Orissa Sponge Iron & Steel Limited (“the Company” or “OSIL”) believe that an effective Risk management process is the key to sustained operations thereby protecting shareholder value, improving governance processes, achieving strategic objectives and being well prepared for adverse situations or unplanned circumstances, if they were to occur in the lifecycle of the business activities. The company shall ensure implementation of effective enterprise risk management by:

1. Putting in place risk management frameworks and processes
2. Identifying risks and promoting a pro-active approach to treating such risks
3. Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on outcome
4. Optimising risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the company
5. Striving towards strengthening the risk management system through continuous learning and improvement
6. Providing clear and strong basis for informed decision making at all levels of the organisation on an ongoing basis having duly evaluated similar risks and their mitigation plan being controllable and within risk appetite
7. Delineating business continuity processes and disaster management plans for unforeseen exigencies and keeping the organisation constituents prepared to appropriately and adequately deal with such circumstances under eventuality of such happenings
8. Complying with all relevant laws and regulations across its areas of operation
9. Communicating this policy to the required stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment





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## ORISSA SPONGE IRON & STEEL LIMITE

### BOARD EVALUATION AND REMUNERATION POLICY

#### Board Evaluation

##### (1) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement and the criteria laid down by the Nomination and Remuneration Committee the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel. The Directors expressed their satisfaction with the evaluation process.

##### (2) Appointment and remuneration policy for Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director/Executive Directors, other Key Managerial Personnel and their remuneration.

##### 1. (i) Criteria of selection of Non Executive Directors

- a) The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b) In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the Independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively
- c) The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d) The N&R Committee shall consider qualification, expertise and experience of the Directors in their respective fields; personal, professional or business standing; diversity of the Board etc., whilst recommending to the Board the candidature for appointment as Director.
- e) In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.
- f) At the first meeting attended by the newly appointed Director, a brief training session in the form of familiarization with the business activities of the Company is imparted. The Company Secretary also briefs the Directors about the prevailing provisions of the Companies Act, 2013; the Rules made there under; provisions of the listing agreement in respect of corporate governance, SEBI Guidelines etc. concerning the Directors.

##### (ii) Remuneration to Non Executive Directors

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in the Board/Committee Meetings



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## 2. Criteria for selection and appointment of the Managing Director (MD)/ the Executive Director (ED)

For the purpose of selection of the MD/ED, the N&R Committee shall identify persons of integrity, who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

### Remuneration Policy for the Managing Director/Executive Director

- i. At the time of appointment or re-appointment, the MD/ED shall be paid such remuneration as may be permitted under the Companies Act, 2013 and mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the MD/ED within the overall limits prescribed under the Companies Act, 2013.

### Corporate Governance

- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the MD/ED is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises commission.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure/consider the following:
  - a. the relationship of remuneration and performance benchmarks is clear;
  - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c. responsibility required to be shouldered by the MD/ED, the industry benchmarks and the current trends;
  - d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.

## 3. Remuneration Policy for the Key Managerial Personnel/Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees (i.e KMPs and Executive Committee Members) the N&R Committee shall ensure/consider the following:
  - i. the relationship of remuneration and performance benchmark is clear.
  - ii. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals
  - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs/KPIs, industry benchmark and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.



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## ORISSA SPONGE IRON & STEEL LIMITED

### POLICY ON PREVENTION OF SEXUAL HARRASMENT

Orissa Sponge Iron & Steel Limited (the Company or OSIL) is committed to providing and promoting an atmosphere which is free of discrimination, intimidation, abuse, exploitation and sexual harassment of women in the workplace. The Company believes that it is the responsibility of the organization to protect the integrity and dignity of employees and also to avoid conflicts and disruption in the work environment due to such cases.

In pursuit of the objective towards improved gender diversity and inclusion along with creating a safe, fair and just workplace, this policy provides the administrative guidelines and procedure for implementation at workplace

In accordance with this policy, an Internal Complaints Committee (ICC) has been set up and detailed guidelines have been framed to address the issue of sexual harassment of women at work place. All women employees (permanent, temporary, contract) as well as trainees, women visiting the office premises or women service providers are covered under this policy.

Once the complaint is received, the matter is taken up for investigation at the highest level of Managing Director for inquiry, investigation and disposal.



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## ORISSA SPONGE IRON & STEEL LIMITED

### POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

#### Scope and Purpose

The Securities Exchange Board of India, on 2nd September, 2015, has released the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015). By virtue of the said Regulations, 2015, Orissa Sponge Iron & Steel Limited (the "Company") is required to frame a policy for determination of materiality of events/ information, based on criteria specified in Regulation 30. This policy is required to be duly approved by the Board of Directors and disclosed on the Company's website.

The purpose of this Policy is to ensure fair, proper, sufficient and timely disclosure of material events/ information to the Stock Exchanges and to the public and to ensure that the disclosure is prompt, correct, relevant and not misleading, and that all market participants have simultaneous access to any share price sensitive information. This policy serves as a guideline for disclosing information to Company's stakeholders and defines the responsibilities especially in matters relating to information disclosure and investor relations.

This Policy for Determination of Materiality (the ' Policy') has been adopted by the Board of Directors of the Company

#### 1. Applicability

This Policy shall be applicable to all events in the Company, as and when they come under the criteria enumerated in the Policy.

#### 2. Definitions

- 2.1. **"Board"** shall mean the Board of Directors of the Company;
- 2.2. **"Company"** shall mean Orissa Sponge Iron & Steel Limited;
- 2.3. **"Compliance Officer"** shall mean the Company Secretary of the Company;
- 2.4. **"Key Managerial Personnel (KMP)"** means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 i.e.-  
Chief Executive Officer (CEO) / Managing Director (MD)/ Manager;  
Whole-time Director (WTD);  
Chief Financial Officer (CFO);  
Company Secretary (CS).
- 2.5. **"Market Sensitive Information"** shall mean information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company's sector.
- 2.6. **"Officer"** means as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company.
- 2.7. **"Listing Regulations 2015"** mean SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.
- 2.8. **"Stock Exchange"** means the stock exchanges where the Securities of the Company are listed;



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### 3. Policy

- A. Unless otherwise decided by the Board, the Chairman, Chief Financial Officer and the Company Secretary shall be severally authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange. The contact details of the KMP so designated shall be disclosed to the Stock Exchange and also be placed on the Company's website.
- B. Events/ information stated in Para A of Part A of Schedule III of the Listing Regulations, 2015 are per se considered 'material' and have to be necessarily disclosed without applying any test of materiality.
- C. Events / information as mentioned in Para B, C & D of Schedule III of the Listing Regulations 2015, would be deemed as 'Material' if is likely to have an impact of 10% or more on the gross turnover as per the last consolidated accounts of the Company;
- D. In some cases, to ascertain materiality, thresholds as prescribed in clause 3. C of this policy, cannot be applied, the Board or the KMP so authorised, in such cases, shall frame their opinion on a case to case basis, based on specific facts and circumstances relating to the information/event and while so doing, *inter alia* consider the following factors:
  - i. Whether non-disclosure can lead to creation of false market in the securities of the Company; or
  - ii. Whether there would be a significant impact on the operations or performance of the Company.

Provided that any confidential information which, if disclosed is likely to put at risk the business interest of the Company, shall not be disclosed. The Company to that extent shall make qualified disclosure to the Stock Exchanges.

- E. In addition to above, the Company shall also consider the following criteria for determination of materiality of events/ information:
  - i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
  - ii. the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;

### 4. Interpretation

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.



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## 5. Guidance on when an event/ information is deemed to be occurred

- i. The events/information shall be said to have occurred upon receipt of approval of Board of Directors and/ or of the Shareholders, as may be required.
- ii. The events/ information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board of Directors, pending Shareholder's approval;
- iii. In the events/information such as natural calamities, disruption etc. can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties;

## 6. Authority to Key Managerial Personnel

Mr. Munir Mohanty, Director & CFO and Dr. P.K.Mohanty, Managing Director shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

Contact details:

Mr. Munir Mohanty  
Director & CFO  
Chatterjee International Centre  
33A, J.L.Nehru Road  
Kolkata 700071  
E-Mail: [munir.mohanty@orissasponge.com](mailto:munir.mohanty@orissasponge.com)

Dr. P.K. Mohanty  
Vice Chairman & Managing Director  
Chatterjee International Centre  
33A, J.L.Nehru Road  
Kolkata 700071  
E-Mail: [corporate@orissasponge.com](mailto:corporate@orissasponge.com)

## 7. Disclosure

The authorized persons shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

- i. For determining materiality of any event/ information, reference is to be made to this Policy and the Listing Regulations, 2015.
- ii. Disclosure of an event/ information shall be made within the time mentioned in the Listing Regulations, 2015 specifically for that event/ information.
- iii. All other events/ information other than those covered in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
- iv. Disclosure of any material development in respect of any particular event shall be made on a regular basis, till the time the event is resolved/ closed.
- v. All disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years.
- vi. The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.

## 8. Authority to make alterations

The Board is authorized to make such alterations to this Policy as considered appropriate, subject however, to the condition that such alterations shall not be inconsistent with the provisions of the Listing Regulations, 2015 and any amendment thereto from time to time.



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## **Annexure A**

Indicative List of Events to be disclosed under clause 30 of the Listing Regulations, 2015. This is an inclusive list and shall act only as a guidance document.

### **A. Events which shall be disclosed without any application of the guidelines for Materiality**

1. Acquisition(s) (including agreement to acquire) Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.;
3. Revision in rating(s);
4. Outcome of Meetings of the Board of the Company held to consider the following:
  - a) declaration of dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - b) any cancellation of dividend with reasons thereof;
  - c) the decision on buyback of securities;
  - d) the decision with respect to fund raising proposed to be undertaken
  - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g) short particulars of any other alterations of capital, including calls;
  - h) financial results;
  - i) decision on voluntary delisting by the Company from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty (ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
6. Fraud/defaults by Promoter or KMP or by the Company or arrest of KMP or Promoter;
7. Change in directors, KMP, auditor and Compliance Officer;
8. Appointment or discontinuation of share transfer agent;
9. Corporate debt restructuring;
10. One time settlement with a bank;
11. Reference to Board of Industrial and Financial Reconstruction and winding-up petition filed by any party / creditors;
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company;
13. Proceedings of Annual and extraordinary general meetings of the Company;
14. Amendments to memorandum and articles of association of Company, in brief;
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;



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## **Annexure B**

Indicative List of Events to be disclosed under clause 30 of the Listing Regulations. This is an inclusive list and shall act only as a guidance document.

### **Illustrative list of events which shall be disclosed upon application of the guidelines for materiality**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.





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## ORISSA SPONGE IRON & STEEL LIMITED

### POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

#### Objective

The Board of Directors (the “Board”) of Orissa Sponge Iron & Steel Limited (the “Company” or “OSIL”), has adopted this Policy on Related Party Transactions as required in terms of Clause 49(VII) of the Listing Agreement and also to comply with the provisions of Section 188 of the Companies Act, 2013.

This Policy shall regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company and also lay down mechanism for identification, approval, review and reporting of such transactions. Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.

The Policy on Related Party Transactions may be amended at any time and is subject to any further change in the Listing Agreement or the Companies Act, 2013 ( the Act) or rules /regulations made there under.

#### 1. Definitions

“**Audit Committee (Committee)**” means Committee of Board of Directors of the Company constituted under provisions of the Listing agreement as well as the Companies Act, 2013.

“**Board**” means Board of Directors of the Company

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013

“**Material Related Party Transaction**” means a Transaction with a Related Party which individually or taken together with previous transactions during the financial year, exceeds the stricter of the limits as may be prescribed, either in the Companies Act, 2013 or the Listing Agreement, from time to time, requiring specific approval of the shareholders. Further, transaction with a related party shall be construed to include single transaction or a group of transactions in a contract.

“**Policy**” means this Policy on Related Party Transactions.

“**Related Party**” means a related party as defined under the Companies Act, 2013 or under Clause 49 of the Listing Agreement as amended from time to time.

“**Related Party Transaction**” shall mean such transactions as specified under Section 188 of the Companies Act, 2013 or Rules made thereunder and Clause 49 of the Listing Agreement including any amendment or modification thereof, as may be applicable .

“**Relative**” means relative as defined under section 2(77) of the Companies Act, 2013 and Rules prescribed thereunder.

“**Arms length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.



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## 2. Policy

All Related Party Transactions must be identified and reported to the Audit Committee and also to Directors and shareholders, wherever necessary, for their approval. The said transactions shall be disclosed

in accordance with the requirements of the Companies Act, 2013 and the Listing Agreement.

## 3. Identification of Potential Related Party transactions

Each director and Key Managerial Personnel is responsible for providing notice of disclosure of interest under section 184 of the Companies Act 2013 alongwith list of relatives to the Company. The Company shall ensure that no transaction is entered into with any entity/individual disclosed by the director/ KMP or any other related party without necessary approvals.

## 4. Procedure to be adopted for Related Party Transactions

### APPROVAL OF AUDIT COMMITTEE

All Related Party Transactions shall require prior approval of the Audit Committee.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. The Audit Committee shall laydown the criteria for granting omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b. The Audit Committee satisfies itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c. Such omnibus approval shall specify the following:
  - Name(s) of the Related Party;
  - Nature of the transaction;
  - Period of transaction;
  - Maximum amount of transaction that can be entered into;
  - The indicative base price / current contracted price and the formula for variation in the price, if any, and;
  - Such other conditions as the Audit Committee may deem fit.
- d. In such cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1.00 crore per transaction;
- e. The Audit committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given;
- f. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

The Audit Committee will have the discretion to recommend / refer any matter relating to the Related Party Transaction to the Board for the approval.



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## **APPROVAL OF BOARD OF DIRECTORS**

All Related Party Transactions shall be approved by the Board of Directors of the Company in terms of section 188 of the Companies Act 2013. However this provision will not apply to the transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis. All Material Related Party Transactions as defined above, shall be approved by the Board of Directors of the Company.

## **APPROVAL OF SHAREHOLDERS**

All material related party transactions as defined above shall be approved by the Shareholders through a special resolution and all "related parties" as may be required by the Companies Act, 2013 or by

the Listing Agreement (including amendments thereto) in this regard, shall abstain from voting for such resolution.

### **4.1 Factors to be considered while granting approval to Related Party Transactions**

The Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transactions while granting its approval:

- a. Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- b. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c. Whether the Related Party Transaction would affect the independence of an independent director;
- d. Whether the transaction qualifies to be a transaction in ordinary course of business;
- e. Whether the proposed transaction includes any potential reputation risk issues that may arise as a result of or in connection with the proposed transaction;
- f. Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the overall financial position of the director or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

### **4.2 Review & monitoring of Related Party Transactions:**

The Audit Committee may review and monitor a Related Party Transaction taking into account the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy, subject to compliance with the requirements of the Companies Act, 2013 and Listing Agreement.



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#### **4.3 Following transactions not to be considered as Related Party Transactions:**

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- a. Any transaction that involves the providing of compensation in connection with his or her duties to the Company or to any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

#### **5. Related Party Transactions not approved under this Policy**

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party

Transaction, and shall evaluate all options available to the Company, including ratification by it or recommend the same to the Board for its ratification or for seeking approval of Shareholders or for revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

#### **6. Existing Related Party Transactions:**

This policy shall operate prospectively and all the agreements which have been entered before the effective date of this policy and are in accordance with the then prevailing laws shall be valid and effective. However, procedure under clause 4.2 mentioned above is to be followed in case of any material related party transactions which has been already approved and is likely to continue to be operational beyond March 2015.

This Policy will be communicated to all Directors, KMPs, operational employees and other concerned persons of the Company and the definition/ provisions of the policy herein shall be deemed to have been amended to the extent of any alterations in laws/ statutes by virtue of an amendment.



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## **Registers & Disclosures**

### **Registers**

The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of directors.

Every director or key managerial personnel shall, within a period of thirty days of his appointment, or relinquishment of his office in other Companies,

as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the register maintained.

### **Disclosures**

1. Details of all material transactions with related parties are to be disclosed quarterly along with the compliance report on corporate governance.
2. The Company shall disclose the contract or arrangements entered into with the Related Party in the Board Report to the shareholders alongwith the justification for entering into such contract or arrangement.
3. The Company shall disclose this policy relating to Related Party Transactions on its website and also in the Annual Report.



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## ORISSA SPONGE IRON & STEEL LIMITED

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

#### PREAMBLE

Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing agreement mandates the Company to familiarize the Independent Directors with the Company.

The Listing Agreement mandates the Company to familiarize the Independent Directors in the following areas:

- Familiarization with the Company;
- Roles;
- Rights and Responsibilities;
- Nature of Industry; and
- Business model of the Company.

#### OBJECTIVES

To adopt a structured programme for orientation and training of the Independent Directors at the time of their joining so as to enable them to understand the Company- its operations, business, industry and environment in which it functions. The Company shall follow a structured orientation and training programme for the Independent Directors to understand and get updated on the business and operations of the Company on a continuous basis.

The Program aims to provide insights into the Company to enable the Independent Directors understand their roles, rights and responsibilities and to get updated on the Company' Business & Operations so that they may contribute significantly to the Company.

#### IMPLEMENTATION

Orissa Sponge Iron & Steel Limited ("OSIL") proposes to implement the following programmes to familiarize the Independent Directors with the Company:

1. Industry overview, Business model of the Company and a brief introduction about the Company, its subsidiaries and Associates, its Mission, Vision and Values Statement and providing Latest Annual Report.
2. A detailed appointment letter incorporating the role, duties and responsibilities is issued.
3. Providing Code of Conduct for Prevention of Insider Trading and Code of Conduct for Directors and Senior Management.
4. Providing an overview of the Roles, functions, Duties, Responsibilities and liabilities of Independent Directors as provided in the Companies Act, 2013 and Criteria of Independence applicable to the Independent Director as per Clause 49 of the Listing Agreement and Companies Act, 2013.
5. Providing an overview of Directors Responsibility Statement forming part of Boards' Report.
6. Board evaluation process and procedures.
7. Visits to OSIL's business locations and manufacturing units.
8. Technical sessions by external consultants/ experts outlining the roles, duties and responsibilities of Independent Directors from Companies Act, 2013 and Listing Agreement perspective.

#### PROGRAMME AND DISCLOSURE

- Familiarization programme will be conducted for new and continuing Independent Directors on "as needed" basis during the Year.
- A web link thereto shall also be given in the Annual Reports of the Company.



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## ORISSA SPONGE IRON & STEEL LIMITED

### BOARD DIVERSITY POLICY

#### Purpose

The Board Diversity Policy ('the Policy') sets out the Company's approach to ensuring adequate diversity in the Board of Directors of Orissa Sponge Iron & Steel Limited ('the Board')

#### Scope

This Policy applies to the Board of Directors of Orissa Sponge Iron & Steel Limited (OSIL). It does not apply to employees generally.

#### Policy Statement

- 1) OSIL recognizes and embraces the importance of a diverse Board in its success. OSIL believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that OSIL retains its competitive advantage.
- 2) OSIL's policy is to leverage Diversity to contribute to the achievement of OSIL's Mission and objectives. This means using diversity to
  - Drive business results
  - Enhance Company's reputation and
  - Attract, recruit, engage and retain a diverse team of talented people on the Board of OSIL.
- 3) The Board aims to attract and maintain a Board which has an appropriate mix of Diversity, skills, experience and expertise.

#### Monitoring

The Nomination and Remuneration Committee ('**Committee**') is responsible for monitoring and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

The Committee shall:

- Assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board.
- Make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
- Periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

#### Responsibility and Review of the Policy

The Committee will review this Policy periodically and recommend appropriate revisions to the Board.



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## ORISSA SPONGE IRON & STEEL LIMITED

### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

#### ***Corporate Disclosure Policy***

This Code has been framed in pursuance to the regulation contained in sub-regulation (1) of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulation, 2015 and the purpose of this code is to ensure timely and adequate disclosure of Unpublished Price Sensitive Information. These Regulations will be applicable from 15th May, 2015.

#### ***Objective of the Code of Fair Disclosures***

Orissa Sponge Iron & Steel Limited ("OSIL") has formulated this Code called "OSIL" Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' to ensure timely and adequate disclosure of unpublished price sensitive information which would impact the price of the company's securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavours to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.

#### ***Definitions***

'**Compliance Officer**' for the purpose of these regulations means the Company Secretary of the Company. In absence of the Company Secretary the Board of Directors may authorize such other officer of the Company to discharge the duties of Compliance Officer under the regulations.

'**Chief Investors Relations Officer**' means Compliance Officer of the Company.

"**unpublished price sensitive information**" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following-

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement.

The company will adhere to the following so as to ensure fair disclosure of events, occurrence and Unpublished price sensitive information that could impact price of its securities in the market:

#### ***1. Prompt public disclosure of unpublished price sensitive information***

Unpublished Price Sensitive Information shall be given to the Stock Exchanges and disseminated promptly on a continuous basis.

#### ***2. Uniform and Universal dissemination of unpublished price sensitive information***

The disclosure of unpublished price sensitive information shall be on a continuous, immediate, uniform basis and will be universally disseminated. The company may consider others ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.





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### **3. *Overseeing and Co-ordinating disclosure***

- 3.1 The Chief Investor Relations Officer, for the purpose of these regulations, shall oversee corporate disclosures and deal with dissemination of information and disclosure of unpublished price sensitive information. The Compliance Officer (i.e Company Secretary) of the Company is designated as the Chief Investor Relations Officer and he shall be responsible for ensuring that the Company complies with the continuous disclosure requirements and dissemination of information. He shall also be responsible for overseeing & co-ordinating disclosure of Unpublished Price Sensitive Information to stock exchanges, analysts, shareholders and media.
- 3.2 Information disclosure/dissemination may normally be approved by the Compliance Officer.
- 3.3 If information is accidentally disclosed without the prior approval of Compliance Officer, the person responsible shall inform the Compliance Officer immediately.

### **4. *Process of disseminating information in order to make the unpublished Price sensitive information generally available***

Prompt disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination. The Company shall ensure that disclosure to stock exchanges is made promptly.

### **5. *Procedures for Appropriate and fair responding to any Query on news reports and requests for verification of Market rumours by regulatory authorities***

- 5.1 Replies to all queries or requests for verification of market rumours shall be sent only after obtaining the approval of the Chairman or the Managing Director.
- 5.2 Such replies shall be signed by the Compliance Officer. In his absence, such replies shall be signed by such other officer/ person as may have been authorized.
- 5.3 The Compliance Officer shall oversee corporate disclosure. He shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

### **6. *Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information***

The Company should follow the guidelines given hereunder while dealing with Analysts and research personnel.

- 6.1 Only Public information is to be provided to such Analysts/Research person and Institutional Investors or any information given to Analysts/Research Person should be simultaneously made public at the earliest.
- 6.2 In order to avoid mis-quoting or mis-representing it is desired that two Company representatives be present at the meeting with Analysts and Institutional Investors and the discussion should preferably be recorded.
- 6.3 Company should be careful while dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response should be furnished later. If the answer includes price sensitive information, a public announcement should be made before responding.



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6.4 Whenever the Company proposes to organise meetings with investment analysts/ institutional investors, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets.

**7. *Unpublished price sensitive information on Need-to-Know basis***

7.1 Unpublished Price Sensitive Information shall be handled on a “need to know” basis i.e. unpublished Price Sensitive Information shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

7.2 The Company shall disseminate all Price Sensitive Information on a continuous and in a timely manner to stock exchanges where its Securities are listed and thereafter to the press.

7.3 As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's web-site. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.

7.4 The information filed by the Company with the Stock Exchanges under the Listing Agreement may also be posted on the Company's website.

**8. *Timely reporting of Shareholdings / Ownership and changes in Ownership***

The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ ownership of major shareholders and disclosure of changes in ownership as required under the Stock Exchange Listing Agreements and/or any rules/regulations made under the Securities & Exchange Board of India Act, 1992 are made in a timely and adequate manner.



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## ORISSA SPONGE IRON & STEEL LIMITED

### CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT EXECUTIVES

Clause 49 of the Listing Agreement pertaining to Corporate Governance which has been made compulsorily effective from 1st January, 2006 prescribes that the Board of Directors shall lay down a Code of Conduct for all Board members and senior management of the Company. This Code of Conduct shall be posted on the website of the Company.

All Board members and senior management personnel shall affirm compliance with the Code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO i.e Managing Director.

The term 'Senior Management' shall mean personnel of the Company who are members of the core team excluding Board of Directors. Normally this would comprise of all members of management one level below the Executive Director, including all functional heads. Such as Accounts & Finance Head, Sales Head, Branch Head, Production Head, Company Secretary such other similar personnel.

#### **PREAMBLE**

The Board of Directors is vested with all powers of management of the affairs of the Company. The Board thus becomes the working organ of the Company. The Directors alone are exclusively empowered to manage the affairs of the Company. Even the shareholders, who appoint them, cannot interfere in their domain of power.

The contribution of Directors on the Board of a Company in providing leadership, vision, strategy, monitoring, supervision and accountability towards the various stakeholders of the Company, with a view to achieving greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance, has been phenomenal.

The Senior Management constantly interacts with the Board of Directors and is primarily responsible for executing and translating into reality the plans, policies and programs laid down by the Board and for achieving the targeted objectives.

#### **NEED FOR A CODE OF CONDUCT**

In view of the fiduciary position that Directors hold in a Company vis-à-vis their rights and duties and increased emphasis being laid on the independence of Directors, their integrity, accountability and transparency in governance, it is imperative that a Code of Conduct be formulated for Directors as well a Senior Management of the Company.

This Code of Conduct or the Code defines what the Company expects from its business and personnel regardless of the location or their background. We recognize society as an important stakeholder in this enterprise and therefore it is a part of our responsibility to practice good corporate citizenship

The Board of Directors of the Company wishes to update and adopt a revised Code of Conduct for all Directors and as well as for all senior management executives.

The Company urges all its Directors and Members of Senior Management team to be thoroughly familiar with the contents of this Code of Conduct (hereinafter referred to as the "Code") and to use it as a guideline in the performance of their responsibilities for the Company. The Company encourages its Executive Directors and Members of Senior Management team to seek assistance from the Compliance Officer when a question or concern arises with respect to any matter addressed to in this Code.

The Code is intended to focus on the Board members on areas of ethical risk, integrity and honesty, providing guidance to help them recognize and deal with an ethical issues; mechanism to report unethical / dishonest conducts and help foster a culture of honesty, integrity and accountability.



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## SPHERE OF APPLICATION

Through the operation of this Code, ORISSA SPONGE IRON & STEEL LIMITED (the 'Company') shall strive to set goals for attaining the highest standards of good governance, meticulously pursue them and shall endeavour to maximize value for the customers, shareholders, employees and all other stakeholders and last but not the least the government. The Code shall be applicable to-

*All Directors of the Company, whether executive or non-executive including nominee Directors. All Senior Management Executives. All Executives of the Company, reporting directly to the Chairman/ Vice- Chairman/Managing Director and Executive Director.*

*"Senior Management" shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive Directors, including all functional heads.*

## APPROPRIATE AUTHORITY

For employees of the Company, 'Appropriate Authority' shall mean the designated reporting authority of the executive, or the Managing Director/Executive Director of the Company. In case of members of the Board, the appropriate authority shall be the board of Directors and in exceptional cases, the Chairman or Vice-Chairman of the Board.

## THE CODE

All Directors and Senior Management Executives shall undertake to observe the following:-

### 1) ETHICAL CONDUCT

Directors/Senior Management shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards.

Such conduct shall be fair, ethical and transparent enough to be perceived as such by others. All Directors/Senior Management Executives shall strive to ensure complete implementation of and adherence to the Code in an utmost professional manner.

### 2) GOOD GOVERNANCE

- a) The Chairman for the meeting of the Board/Committee and General Meeting would have to ensure, before transacting any business, that meetings are duly convened and held in accordance with the Companies Act, Rules, Regulations and other applicable guidelines, or any other law for the time being in force and applicable to the Company.
- b) The Chairman should conduct the proceedings of the meeting and ensure that all items of business as have been set out in the Agenda are transacted in a proper manner. The chairman should encourage deliberations and active participation of all the Directors present in the meeting.
- c) A Director who is interested in a particular contract must disclose his interest at the Board Meeting held first after he has become interested and must therefore abstain from participating in that particular business and from voting in the resolution. Where Chairman himself is interested in any item of business, he should entrust the conduct of the proceedings in respect of that item to any other disinterested Director and resume the Chair only after that item of business has been transacted.
- d) It is duty cast upon the Director to disclose to the company which invites him on the Board the fact of his disqualification, if any, in terms of the provisions contained in the Companies Act. Similarly, it shall be the duty of the Company Secretary to bring to the notice of the Directors in advance instances of non-compliance by the Company which would disqualify a Director from accepting appointment as Director in any other Company.



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- e) Independent Directors would have to act as 'Observers' while attending to meetings between management and shareholders, in order to develop a balanced understanding of shareholders concerns. However it is the Chairman of the meeting who would ensure that their views are communicated and necessary action, if any, is taken.

**3) EMPHASISING DILIGENCE**

Independent Directors would have to ensure that they have the requisite time to adequately discharge their duties and responsibilities. Further, they would have to disclose to the Board of the Company the changes/alterations in their originally declared particulars.

**4) TRANSPARENCY**

The Directors/Executives would manage the affairs of the Company with better accountability to shareholders and achieve transparency of operations with disclosure of both financial and non-financial data through annual and other

periodical reports. Applicable Accounting Standards would have to be followed in preparation of Accounts so that true and fair view of the affairs of the Company can be ascertained.

**5) EXECUTIVE DIRECTOR**

The Executive Director of the Company, by whatever name called, shall be required to devote all or a substantial part of his time to the business of the Company. His responsibilities, in law, and in reality as well, are greater than the other Directors.

**6) RELIANCE ON CO-DIRECTORS AND EXECUTIVES**

A Director shall be entitled to rely on his fellow Directors and Executives of the Company for information which would enable him to put himself in a position of trust for the express purpose of attending to the details of management. A Director may also rely on the opinions of an outside expert.

**7) DELEGATION**

The Board of Directors shall delegate substantial power of management of the affair of the Company to a Managing Director or any other Director where there is no Managing Director. The Board shall also delegate specific power to various committees in accordance with the Companies Act, Listing Agreement with the Stock Exchanges, if any and any other law that may be applicable to the Company from time to time. Likewise, within the internal management of a Company, the implementation of Board decisions and policy shall be dealt with by the Executives of the Company. A Director shall be liable to the Company if he himself is negligent. He shall be liable also if he himself deliberately does wrong.

**8) OVERALL SUPERVISION AND CONTROL**

The overall management is entrusted to all of the Directors jointly, and therefore the Board shall exercise some degree of supervision over the Managing/Executive Director and other Executives of the Company to whom they delegate powers. Directors must question and keep a proper control over what is going on.

**9) DUTY NOT TO EXCEED POWERS**

It shall be the duty of the Directors to ensure through the mechanism of Memorandum and Articles of Association of Company that not only do they transact Company's business within the Company's powers but also that they keep themselves within the powers actually given to them. If Directors exceed their powers then the Company would be entitled to recover from them for any loss suffered by the Company.



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**10) EQUALITY**

The Directors/Executives shall practice a conduct that promotes equality of gender, class, caste and opportunity and should promote the same values and also exercise their duties in a manner that encourages healthy personal and career growth of the employees of the Company.

**11) CORDIAL RELATIONS**

The Directors and Employees of the Company should make all efforts to establish cordial relationships with all stakeholders of the Company with whom they interface while carrying out their duties for the Company and must try to make positive contributions to the communities in which they perform such duties.

**12) HEALTH, SAFETY & ENVIRONMENT**

The Company strives to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. The Company is committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, use and disposal of any of the intermediaries or direct materials used in its product and service offerings on the ecological environment.

**13) WHISTLE BLOWER**

The Directors/Executives shall not engage in misinformation, disinformation or personal defamation or victimisation of any employee or stakeholder. The Company may establish a mechanism for employees to report to the management, their concerns about unethical behaviours, actual or suspected fraud or violation of the Code of Conduct. The mechanism would then have to ensure, if such a policy is in vogue, to provide for direct access of such employee(s) to the Chairman of the Audit Committee in exceptional cases which would be determined and laid down by the committee whenever the Company chooses to formulate/is required formulating Whistle Blower Policy.

**14) ADHERENCE TO APPLICABLE LAW**

All Board Members and Senior Management must comply with applicable laws of the country and the state in all matters and in the case of matters external to India, in a manner as may be directed by the Board or the Compliance Officer. If any law is in conflict with this Code, the law shall prevail.

**15) SHARING OF INFORMATION**

Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors or the employees have access or which is possessed by the Directors and the employees, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless

- a) authorised by the Board; or
- b) the same is part of the public domain at the time of disclosure; or
- c) is required to be disclosed in accordance with applicable laws

**16) FAIR DEALING**

Each Director and Employee of the Company shall endeavor to deal fairly with the Company's customers, suppliers, dealers, investors and competitors.

No Director or Employee of the Company should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. Directors would not be personally liable to the





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Company's creditors to pay off the dues owed by the Company. As a general rule, a creditor is not entitled to proceed against any Director to recover his dues. However, Directors shall be made personally liable if they conduct the business with intent to defraud creditors. Where it is clear that the Company is insolvent, the Directors shall not favour any particular creditor, and would rather treat all creditors equally. The Company shall treat consumer as the King and ensure that goods sold to their customers are of appropriate standards such that they derive total satisfaction and are not deprived of their legitimate rights. The Executives shall further ensure that there is no supply of goods of inappropriate standards to any of its customers which would give rise to unnecessary litigations, consumer complaints and imposition of penalties by the authorities concerned. The Directors' duty would be to act in the best interests of the Company and improving goodwill of the Company. Moreover, Directors must see to it that the Company has an effective system for redressal of consumer grievances.

## **17) STATUTORY DUTIES**

The Companies Act imposes a large number of obligations on the Companies and the Directors are responsible to ensure that these are duly adhered to by the Company. These can be summarized as under:-

Proper maintenance of books and register as prescribed by the Companies Act.

- a) Filing of returns and documents with the Registrar of Companies, Company Law Board, Central Government and High Court within the stipulated time.
- b) Seeking approvals from the Registrar of Companies, Company Law Board, Central Government and such other authorities, as the case may be, on issues which require approvals of these authorities from time to time.

## **18) DUTY OF CONFIDENTIALITY**

The Company's confidential information is a valuable asset. The Company's confidential information includes product information, product plans, financial information and list of customers, dealers and employees. All confidential information must be used for Company's business purpose only. Every Director and Employee must safeguard confidential information acquired during their association with the Company. Confidential information, includes all non-public information that might be of use to competitors, or harmful to the Company, if disclosed.

The Directors and Employees of the Company must maintain confidentiality of the information and shall not use confidential knowledge for their direct or indirect personal advantage or for the advantage of any other entity in which they have a direct or indirect interest.

## **19) DUTY NOT TO MAKE SECRET PROFITS/ RESORT TO INSIDER DRADING**

As part of Director's fiduciary duties, he must not make secret profits out of his positions. For example, if a Director receives information of a potential business opportunity in his capacity as a Director of the Company, he must not use that opportunity for his own purposes. If he does so, then he will be in breach of his fiduciary duty to the Company (since it is the Company's information which he has used) and he will be accountable to the Company for any profit which he makes. This applies equally to the Executives of the Company. The Director and the Executives should therefore strictly adhere to the Company's Code of Conduct for Prevention of Insider Trading in terms of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (including any amendment thereto/ re-enactment thereof) and/or any other Rules and Regulations that may govern the same and be applicable to the Company from time to time.

## **20) CONFLICT OF INTEREST**

Directors and each Employee of the Company should endeavour to avoid any conflict of interests with the Company. The Directors and each Employee of the Company must not



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allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office. They should not engage in a business, commercial relationship or commercial activity with anyone who is a party to transaction(s) with the Company. Similarly they should not derive a personal benefit or a benefit to any of their relatives by making or influencing decisions relating to any transaction(s). The Directors and each Employee of the Company should act in good faith, responsibly, with due care, competence and diligence. They should abstain from discussions, voting or otherwise influencing decisions on any matter that may come before the Board in which they may have a conflict or potential conflict of interest.

## **21) DUTY NOT TO MISAPPLY COMPANY'S ASSETS**

All Directors and Employees of the Company should protect the Company's assets from theft, carelessness, and waste which will have direct impact on the Company's profitability and to ensure their efficient use and restrain from using the Company's property or position for personal gain.

## **22) COMPANY FACILITIES**

No Director, senior management and employee shall misuse Company facilities. Except where such facilities have been provided for personal use either by policy or by specific permission, Company's facilities shall not be used for personal use. Even in their use for Company purposes, care shall be exercised to ensure that costs are reasonable and there is no wastage. Ostentation in Company expenditure shall be avoided.

## **23) UNDUE FAVOURS**

The Company, its Directors and Employees shall neither receive nor offer or make directly/indirectly any illegal payments, gifts, donations or any benefits which are intended to obtain business or unethical favours. However, the Directors or Employees may receive/ give such nominal gifts which are customary in nature or are associated with festivals.

## **24) NOMINEE DIRECTOR'S SPECIAL DUTIES**

A nominee Director, who is appointed to represent the interests of a particular shareholder or a group of shareholders or any other interest in the Company (e.g. debenture holders, lenders), should also be careful to avoid any conflict of interest.

He is expected to exercise his own judgement as to what will serve the interests of the Company best and he must not put the interests of his appointer above those of the Company itself.

If the nominee Director is expected to undertake a reporting function, advising his appointer in detail of the Company's affairs, he should ensure that the Company is duly apprised of such arrangement and the disclosure of relevant information to the appointer, since a shareholder does not, in the absence of agreement, have any special right of access to information other than under the limited general publicity requirements of the Companies Act.

A nominee Director's main role should be to present the views of the party he represents at the Board level, but he should also retain substantial discretion of his own as to how he exercises his powers at the end of the day and should not place the interests of his appointer above those of the Company.

A nominee Director should also keep in mind that though by contractual arrangement between his appointer and the Company, he may have a special privilege to obtain from the Company information which other Directors or shareholders are not entitled to, such information is not leaked or misused such that the user on the basis of such information indulges in insider trading. Secondly, as noted earlier, the nominee Directors too has the duty of confidentiality.





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## 25) DUTIES OF INDEPENDENT DIRECTORS

The duties of Independent Directors of the Company, as laid down under Schedule IV to the Companies Act, 2013, are incorporated herein pursuant to Clause 49 of the Listing Agreement with Stock Exchanges. It shall be the duty of Independent Directors to:

- ✓ 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 they are a member;
- ✓ participate constructively and actively in the Board Committees in which they are chairpersons or members;
- ✓ strive to attend the general meetings of the Company;
- ✓ ensure, where they have concerns about the running of the Company or a proposed action, that these are addressed by the Board of Directors;
- ✓ 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 Board Committee;
- ✓ 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 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 Code of Conduct;
- ✓ act within their authority and assist in protecting the legitimate interests of the Company, shareholders and its employees;
- ✓ not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans and unpublished price sensitive information, unless such disclosure is expressly approved by the Board of Directors or required by law.

## 26) INTERACTION WITH MEDIA

To facilitate the achievement of the Company's vision and business plans, it is necessary to communicate the policies, plans and accomplishments in the most effective manner through the media to our investors, customers, existing and potential, other stakeholders and to the community at large.

All statements made to the media on behalf of the Company should be true and fair. Only persons duly authorised by the Management are allowed to interact with media on specified subjects. Disclosures of any information other than statutory disclosures or those specifically authorised by the Management is prohibited.



Disclosure of information on proceedings of Board meetings/Committee meetings/internal meetings, and disclosure of forward-looking statements is prohibited. In case any such disclosure has to be made it has to be approved by the Management and shall be combined with cautionary statements, wherever required.

Directors/Management Personnel shall not disclose non-public information selectively to any particular group as it may lead to unfair advantage / discrimination.

## 27) DIRECTORS RESPONSIBILITY STATEMENT

Companies Act specifies that the Directors would have to ensure through the Executives of the Company that the Board's Report shall include a Director's Responsibility Statement covering the following:-

- That in preparing the annual accounts, applicable accounting standards had been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the annual accounts on a going concern basis

## 28) OTHER DUTIES/RESPONSIBILITIES

The Director/Executives of the Company:

- Shall not knowingly suppress a material fact, which can be detrimental to the interest of the Company, from the appropriate authority/body.
- Shall not give any directions, which expose to risk, the health and safety of any person.
- Shall not make any statement; verify any return or form, containing any particulars, knowing them to be false.
- Shall not fail to invite the attention of the appropriate authority/body in respect of matters affecting the Company or arising out of professions, any material departure from the generally accepted principles of propriety.
- No Director or Senior Management Executive of the Company shall engage in any business, relationship or activity which might detrimentally/ prejudicially conflict with the interests of the Company.

## 29) COMPLIANCE WITH THE CODE:

### a) *Responsibility for Compliance*

Compliance with this code, both in letter and in spirit, shall be the foundation on which this Company's ethical standards shall be built in the time to come. Members of the management assume a special obligation for their own awareness and the effective communication of this Code to other employees who report to them. This Code will be distributed to each new Director/ Senior Management Employee of the Company upon commencement of his or her Directorship/ employment. Managers and supervisors are encouraged to maintain an open-door policy in responding to



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questions regarding this Code. Frequent discussion of ethical issues, both informally and formally, is a sign of good corporate practice. These responsibilities of the employees cannot be delegated.

**b) Action in case of violations**

Employees and Directors who violate this Code may be subject to disciplinary action, up to and including discharge. Senior Management employees and Directors who have knowledge of a violation and fail to move promptly to report or correct it and Senior Management employees and Directors who direct or approve violations may also be subject to disciplinary action up to and including discharge.

Furthermore, violations of some provisions of this Code are illegal and may subject the employee or Director to civil and criminal liability.

**c) Queries**

Any Executive Director or Members of Senior Management team having any query regarding the best course of action in a particular situation should promptly contact the Compliance Officer for a suitable counseling. The discussion with the Compliance Officer may be concerned with the employee's activities or activities of others and may involve apparent conflicts between such employee's specifically assigned responsibility and the standards set in this code.

**30) AMENDMENT TO THE CODE**

We are committed to continuously reviewing and updating our policies and procedures to meet the requirements of any relevant statute or the business interest of the Company. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code shall be minuted in a meeting of the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of amendment or waiver.

**31) ANNUAL COMPLIANCE REPORTING**

It terms of Clause 49 of the Listing Agreement, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 15 days of close of every financial year in the proforma enclosed as Appendix I to this Code. The Annual Compliance Report shall be forwarded to the Company Secretary.

**32) ACKNOWLEDGEMENT OF RECEIPT OF THE CODE**

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form annexed to this Code vide Appendix-II and forward the same to the Company Secretary.

**COMPLIANCE OFFICER**

Company Secretary of the Company shall be the Compliance Officer for the purpose of this Code.



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**Appendix-I**

**Annual Compliance Report\***

To:-

The Compliance Officer  
Orissa Sponge Iron & Steel Limited  
Chatterjee International Centre, 11<sup>th</sup> Floor,  
33A, J.L.Nehru Road,  
Kolkata 700071

Dear Sir/Madam,

I .....do hereby solemnly affirm to the best of my knowledge and belief that I have, in letter and in spirit, complied with the provisions of the “Code of Conduct for Directors and Senior Management Executives” during the financial year ending 31st March,.....

Signature	.....	Name
	.....	
Designation:	.....	Date
	.....	Place
	.....	

\* To be submitted by 15th April each year.



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**Appendix-II Acknowledgement Form\**

I ....., have received and read the Company's "Code of Conduct for Directors and Senior Management Executives". I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :..... Name :.....

Designation:..... Date :.....

Place :.....



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**ORISSA SPONGE IRON & STEEL LIMITED**

**PRESERVATION OF DOCUMENT POLICY**

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## 1. Introduction

The Board of Directors (the “Board”) of **Orissa Sponge Iron and Steel Limited** (the “Company”) at its meeting held on 2<sup>nd</sup> January, 2016, has approved the Policy for Preservation of Documents of the Company. The Policy will be applicable to the Company with immediate effect.

This policy can be modified/amended/alterd by the Board of Directors of the Company except in case of any statutory modification/amendment/alteration of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, which shall be deemed to be implemented in the Policy immediately on such notification for modification/ amendment/alteration etc. coming into effect.

## 2. Purpose

This Preservation of Documents Policy lays down the procedure, mode and tenure upto which the Company’s documents will be preserved. The purpose of this Policy is to lay down the procedure for preservation of documents, files, records and registers carrying information of the Company and any other article(s) belonging to the Company in terms of the requirements of Regulation no. 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

## 3. Scope

This policy applies to all the papers, documents, deeds, instruments, registers, etc. prepared and/or received by the Company under the requirements of and in compliance with the provisions of the Companies Act, 2013, rules and regulations made thereunder, Rules and Regulations framed by Securities and Exchange Board of India and such other laws, rules, regulations and guidelines, etc. as may be applicable to the Company from time to time.

## 4. Definitions

- a. “Book and paper” and “book or paper” shall have meaning as defined under Section 2(12) of the Companies Act, 2013 and Rules prescribed thereunder.
- b. “Books of account” shall have meaning as defined under Section 2(13) of the Companies Act, 2013 and Rules prescribed thereunder.
- c. “Document” shall have meaning as defined under Section 2(36) of the Companies Act, 2013 and Rules prescribed thereunder.
- d. “Financial Statement” shall have meaning as defined under Section 2(40) of the Companies Act, 2013 and Rules prescribed thereunder.
- e. “Register of Companies” shall have meaning as defined under Section 2(74) of the Companies Act, 2013 and Rules prescribed thereunder.
- f. Words and expressions used and not defined in this Policy but defined in the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts.

## 5. Common Standards for Preservation of Documents

To preserve the Documents effectively, every employee of the Company, involved with creation/management of any Document must share a common responsibility for their security and protection. Furthermore, these common preservation standards also need to be understood and applied by every person who intends to access the Archives. To achieve this, the Documents must always be:



5.1. Placed, handled, consulted and/or displayed in a way which minimizes the risk of damage and takes due account of their size, shape and physical condition.

5.2. Placed, handled, consulted and/or displayed in a safe and secure location.

5.3. Moved with due care between locations.

5.4. Placed, handled, consulted and/or displayed under appropriate preservation conditions (e.g. avoid areas of unsuitable temperature and humidity, dust etc. Proper account must be kept, at all times, of the precise location of all records, including those temporarily withdrawn or undergoing administration – referencing, cataloguing etc.

5.5. Withdrawn or issued records must be returned to their permanent place of storage immediately after any examination, treatment or consultation is completed.

5.6. Concerned employee must be alerted, and action taken, where serious damage or loss has occurred, or is likely to occur. This includes physical misuse, maltreatment, or theft of records.

## **6. Period of preservation of Documents**

The period of preservation of the documents by the Company pursuant to this Policy shall be as follows:–

### **A Documents whose preservation shall be permanent in nature:**

1. Certificate of Incorporation of the Company
2. Licenses and Statutory Approvals
3. Statutory Registers required under applicable laws
4. Memorandum of Association and Articles of Association as originally filed and updated from time to time
5. Register of Members
6. Index of Members
7. Minutes of General Meeting
8. Minutes of Board Meeting
9. Minutes of various Committee Meetings
10. Material Agreements / Contracts
11. Orders issued by Courts/Statutory bodies
12. Any other document as may be required to maintain in terms of applicable law(s), maintained and preserved from time to time

### **B. Documents with preservation period of not less than eight years after completion of the relevant transactions:**

1. Books of Accounts
2. Annual Return(s)
3. Register of Debenture holders
4. Index of Debenture holders
5. Non-Statutory Registers
6. Tax related records and documents
7. Any other document as may be required to maintain in terms of applicable law(s), maintained and preserved from time to time

## **7. Storage of Records and Documents**

Maintaining an optimum storage facility is a core function of preservation of Documents. This practice, in particular, should be recognized as the primary means of guaranteeing the physical security and long-term survival of records. The Company shall comply with the following basic directives in regard to the storage and retention of records:

7.1. Sufficient space must be made available for the permanent and safe storage of the Company's Archives.

7.2. All permanent and temporary storage areas must be safe and secure to minimize the risk of theft or malicious damage e.g. access to stores should be carefully controlled; access points should be fitted with barriers and adequate locking systems; storage area should be patrolled at regular intervals; storage area should be equipped with sensitive security alarm systems.





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7.3. All permanent and temporary storage areas must be structurally sound and sufficiently strong to withstand adverse weather conditions.

7.4. All permanent and temporary storage areas should be fireproof and moisture-proof in order to reduce the possibility of any serious accidental or malicious damage.

7.5. Environmental conditions in permanent storage areas must be carefully controlled and regulated to reduce the threat of atmospheric contamination.

## **8. Preservation of documents in electronic form**

Whenever any document or record is required to be maintained by the Company in electronic form as per the requirements of any law or rules or regulations etc. or where it is decided by the Board to preserve any document or record in electronic form, the company shall make necessary arrangements for preservation of such documents and records in electronic form. The Company will comply with the following basic requirements for preserving documents in electronic form –

8.1. The information in the electronic record of the document shall be capable of being displayed in a legible form.

8.2. The documents or records maintained in electronic form shall be secured by means of user ids and passwords or such other security features as may be decided by the Board of Directors.

8.3. There shall be a proper system for storage, retrieval, display or printout of electronic records by the Company and such records may be disposed of as per laws, rules and regulations applicable to its preservation or in its absence, as per this Policy.

8.4. The back-up of the documents and records and other papers of the company maintained in electronic form, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.

## **9. Archiving on the Website of the Company**

Every information, record or document that is uploaded or archived on the website of the Company as per the applicable provisions of various laws, rules, regulations etc. shall be maintained on the website of the Company for a continuous period of not less than 5 years and on completion of 5 years, the said information or record or document be updated or removed from the website of the Company. Every document which is removed from the website of the Company shall however be preserved by the Company as per this Policy.

## **10. Destruction/Disposal of Documents and Records**

Upon the completion of period of preservation of any record or document, a list needs to be prepared for its destruction/disposal and the same be placed before the concerned Head of the Department (HOD) to which the record or document belongs for approval for destruction/disposal of such record or document giving reasons why the same would no longer be required. These approved lists will then be placed before the meeting of the Board of Directors along with the reasons, for final approval for its destruction/disposal.

## **11. Preservation of Documents beyond the period prescribed**

Notwithstanding anything contained in this Policy, the Board of Directors of the Company may direct to preserve any of the documents mentioned in Clause 6 of this Policy beyond the period specified therein for retention and preservation of document.

## **12. Register of Documents destroyed/disposed**

A record be kept of every record or document destroyed by the Company in a Register of Documents destroyed carrying details such as name of the record/document, date of creation, preservation period, Name of the HOD approving its destruction/disposal with date and reason, date of board meeting approving its destruction/disposal.



## ORISSA SPONGE IRON & STEEL LIMITED

### Terms and conditions of Appointment of Independent Directors

The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 ('2013 Act') and Regulation 16(B) of the SEBI ( Listing obligations and Disclosures Requirements) 2015 (as amended from time to time) and (ii) Articles of Association of the Company.

Sr. No.	Particulars	From	To
1	Mr. B. K. Sarkar	26.09.2014	25.09.2019
2	Mr. A. K. Mukherjee	26.09.2014	25.09.2019
3	Mr. S. K. Khetan	26.09.2014	25.09.2019

The broad terms and conditions of their appointments as Independent Directors of the Company are reproduced hereunder:

- 1. Appointment** The appointment will be for the period mentioned against their respective names ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act. As Independent Directors, they will not be liable to retire by rotation. Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria. The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.
- 2. Role, duties and responsibilities**
  - A.** As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include: Requirements under the Companies Act, 2013 and SEBI ( Listing obligations and Disclosures Requirements) 2015 (as amended from time to time) and Accountability under the Director's Responsibility Statement.
  - B.** They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and SEBI ( Listing obligations and Disclosures Requirements) 2015 (as amended from time to time).
  - C.** They are particularly requested to provide guidance in their area of expertise.
- 3. Time Commitment** They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.
- 4. Remuneration** As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.
- 5. OSIL Code of Conduct** As Independent Directors of the Company, they agree to comply with the OSIL Code of Conduct for Non-Executive Directors (NEDs). Unless specifically authorised by the Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.