

# **SHRI BAJRANG ALLOYS LIMITED**

## **CODE OF CONDUCT AND BUSINESS ETHICS**

### **1. INTRODUCTION**

This Code of Conduct and Ethics (“Code”) shall apply to all Directors, Senior Management and employees of SHRI BAJRANG ALLOYS LIMITED hereinafter referred to as the “Company” or “SBAL”.

This Code is framed pursuant to Clause 49 of the Listing Agreement with Stock Exchanges read with Schedule IV of the Companies Act, 2013. This Code aims at enhancing ethical and transparent process in conducting and managing the business of the Company.

### **2. PURPOSE OF THE CODE.**

The prime purpose of this Code is to create an environment where all the Directors and Senior Management and employees (herein referred to as “Employees”) of the Company maintain honesty, integrity and ethical standards in dealing with and managing the affairs of the Company. The policies outlined in this Code are designed to ensure that the Company’s Directors and Employees act in accordance with not only the letter but also the spirit of the laws and regulations that are applicable to the Company’s business. This Code will act as a guide the Directors and Employees to:

- a) Promote honesty and ethical conduct while dealing with various stakeholders of the Company so that the Company’s reputation and goodwill is always intact;
- b) Act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not take improper advantage of their position in the Company;
- c) Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted;
- d) Help create and maintain a culture of high ethical standards and commitment to compliance
- e) Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- f) Assure the proper use of the Company’s assets and restrain using the Company’s property or position for personal gain.

All of the Directors and Employees must comply with the language and spirit of the Code and conduct themselves accordingly and seek to avoid improper behaviour.

Given the variety and complexity of ethical questions that may arise in the Company's course of business, this Code serves only as a rough guide and does not specifically address every potential form of unacceptable conduct. It is expected that the Directors and Employees of the Company will exercise good judgment in compliance with the principles set out in this Code. The Directors and Employees of the Company have a duty to avoid any circumstance that would violate the letter and spirit of this Code.

### **3. EFFECTIVE DATE:**

It shall come into force with effect from 11.11.2014.

### **4. DEFINITIONS AND INTERPRETATION**

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

- 4.1 **“Applicable Law”** includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time.
- 4.2 **“Board / Board of Directors”** shall mean the Board of Directors of the Company
- 4.3 **Company Assets** includes, among other things, the Company's money or product, employees and Directors' time at work and work product, computer systems and software, telephones, wireless communication devices, photocopiers, tickets to concerts and sporting events, Company vehicles, proprietary information and Company trademarks.
- 4.4 **“Director”** shall mean the member of the Board and **“Independent Director”** shall mean an Independent Director as defined and appointed under Section 149 (6) of Companies Act, 2013.
- 4.5 **“Employees”** shall mean the Senior Management and other employees of the Company and includes a Director in the whole-time employment of the Company.
- 4.6 **“Senior Management”** shall mean employees of the company who are Members of its core management team excluding Board of Directors and would comprise all Key Managerial Personnel, Chief Operations Officer, Presidents, Vice Presidents, Senior General Managers, General Managers, Heads of Department and Unit Heads of the Company.

**4.7 “Relative”** shall mean ‘relative’ as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014 and more specifically spelt out in **Appendix-I** to this Code.

In this Code words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

## **5. APPLICABILITY**

This Code shall be applicable to all Directors and Employees (Senior Management and other employees) of the Company who shall comply with and shall continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

## **6. GUIDELINES FOR PROPER CONDUCT:**

All Directors and Employees of SBAL shall act within the authority conferred upon them and observe the following guidelines in their conduct:

### **A. Integrity:**

Integrity is fundamental to our Company. Integrity means doing what is right. By acting with integrity, we reflect positively on the values and reputation of the Company and its brands. In this regard the Directors and Employees shall:

- a) Act with utmost care, skill, diligence and integrity.
- b) Act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.

### **B. Compliance with laws, rules and regulations:**

SBAL and its Directors and Employees are bound by the law. Compliance with all Applicable Laws and regulations must never be compromised. Additionally, employees shall adhere to internal rules and regulations as they apply in a given situation. These internal rules and regulations are specific to the Company and may require additional compliances to what is required under Applicable Laws.

The Employees shall comply with all laws, rules and regulations relating to the business of the Company affecting their respective area of operations. Employees with questions about the applicability or interpretation of any law, rule or regulation, should contact the Legal Department / Company Secretary of the Company.

### **C. Conflicts of Interest:**

A Conflict of Interest occurs when personal interests of a Director or an Employee or the interests of a third party compete with the interests of SBAL. In

such a situation, it can be difficult for the Directors and Employees to act fully in the best interests of SBAL. Directors and Employees shall:

- a) Avoid situations whenever possible, in which their personal interest could conflict with the interest of the Company. If a conflict of interest situation has occurred or if an employee faces a situation that may involve or lead to a conflict of interest, the employee shall disclose it to his or her Line Manager and/or the HR or the Legal or Compliance Function to resolve the situation in a fair and transparent manner.
- b) Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his opinion is likely to arise.
- c) Shall make disclosures to the Managing Director relating in respect of all material financial and commercial transactions, if any, where they have personal interest which may have potential conflict with the interest of the Company at large.
- d) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company.

**D. Related Party Transactions:**

- a) No Director or Employee shall, in his official capacity, enter into business related parties, as defined under Applicable Laws, except with the prior approval of the Board or the shareholders of the Company, as the case may be, and unless otherwise permitted by law.

The Directors and Employees intending to enter into any such related party transaction shall make disclosure of the transactions to the Managing Director in the format provided in **Appendix II** and/or any modification thereof.

- b) A related party may be hired as employees or consultants only if the appointment is in the ordinary course of business and on an arms' length basis *i.e.* based on requisite qualifications, performance, skills and experience. Provided that there is no direct or indirect reporting relationship between the employee and his or her relative or partner.

These principles of fair employment will apply to all aspects of the employment, including compensation, training, promotions and transfers, as well as in case that the relationship develops after the respective Directors or Employee has joined the Company.

Provided that if they are equally suited as other candidates, priority may be given to relative of SBAL employees with respect to internships, training periods, employment during holidays and similar short-term assignments.

**E. Other outside activities:**

- a) Outside of SBAL, no activities shall be pursued if such activities will interfere with the Employee's responsibilities for SBAL or if they create risks for SBAL's reputation. When in doubt about the permissibility of an activity, employees shall consult with the Managing Director or Company Secretary.

The following positions and activities are deemed acceptable only in case of prior authorization from the Board or the Managing Director:

- Board member
  - Officer
  - Employee
  - Partner
  - Consultant
- b) Directors, other than those who are in the whole-time employment of the Company, may be appointed in the aforementioned activities or positions subject to disclosure of the same to the Board.
- c) Unless requested by the Company to take up a particular position or activity, Employees shall pursue outside activities and positions at their own risk and cost and within their spare time only.
- d) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.

**F. Corporate Opportunities and not to compete Company's business:**

- a) Directors and Employees shall not compete with the Company nor shall they take personal advantage of business opportunities that they discover during the course of their association with the Company, unless the Board or the Managing Director expressly waives its interest in pursuing such opportunity.
- b) If Directors or Employees want to pursue business opportunities that might be of interest to the Company, they shall inform their Immediate Superior or Managing Director who will seek a management decision as to whether or not the Company wants to pursue the opportunity. Even if the Company decides against pursuing the opportunity, the employee may seize the opportunity on his or her own behalf only if it is clear that doing so will not result in direct or indirect competition with the Company's businesses or operations.

- c) The Directors and Employees shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Managing Director of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.

**G. Insider Trading:**

SBAL prohibits the purchase and sale of SBAL shares or securities on the basis of potentially share price relevant information which is not yet disclosed to the public. All Non-public Information about the Company should be considered confidential information. Directors and Employees of the Company shall not trade in shares or other securities of the Company while in possession of material non-public information except in the conduct of the Company's business. They are also prohibited from passing on material non-public information to others without express authorization by the Company or recommend to others that they trade in shares or other securities based on material non-public information. Non-compliance may not only entail disciplinary actions, but also result in criminal charges.

When in doubt regarding the interpretation or applicability of SBAL's insider trading rules, Directors and Employees shall consult with the Company Secretary.

**H. Trust and fair dealing:**

SBAL is prepared to compete successfully in today's business environment and will always do so in full compliance with all Applicable Laws.

Each Director and Employee shall endeavor to deal fairly with the Company's shareholders, competitors, suppliers and customers. No Director or Employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

All Employees, and especially those who are involved in marketing, sales and purchasing, or who are in regular contact with competitors, have a responsibility to ensure that they are familiar with applicable competition laws. In case of any doubt, the Legal Department/ Company Secretary should be contacted in order to provide competition law advice and training.

All employees shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board / Senior Management / Company.

**I. Confidential Information:**

- a) Confidential information consists of any information that is not or not yet public information and that might be of use to competitors or harmful to the Company or its stakeholders, if disclosed. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, designs, databases, records, salary information and any non-published financial or other data.
- b) SBAL's continued success depends on the use of its confidential information and its nondisclosure to third parties. Unless required by law or authorized by their management, employees shall not disclose confidential information or allow such disclosure. This obligation continues beyond the termination of employment or association with the Company. Furthermore, Directors and Employees must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.
- c) SBAL respects that third parties have a similar interest in protecting their confidential information. In case that third parties, such as joint venture partners, suppliers or customers, share with SBAL confidential information, such information shall be treated with the same care as if it was SBAL's confidential information. In that same spirit, Directors and Employees shall protect confidential information that they have obtained in the course of their prior employments or engagements.
- d) No Employee shall provide any information either formally or informally, to the press or any other media, unless specifically authorized. Provided that Senior Management shall be free to disclose such information which is:
  - (a) part of the public domain at the time of disclosure; or
  - (b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
  - (c) required to be disclosed in accordance with Applicable Laws, rules, regulations, guidelines, or directions made thereunder.

**J. Protection of Company Assets:**

- a) Employees must never engage in fraudulent or any other dishonest conduct involving the property or assets of SBAL or any third party. This may not only entail disciplinary action but also result in criminal charges.
- b) Employees shall safeguard and make only proper and efficient use of SBAL's property. All employees shall seek to protect SBAL's property from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both

tangible and intangible assets, including trademarks, know-how, confidential or proprietary information and information systems.

- c) Theft of Company Assets—whether physical theft such as unauthorized removal of Company product, equipment or information, or theft through embezzlement or intentional misreporting of time or expenses—may result in termination and criminal prosecution. The Company treats workplace theft of assets belonging to other employees and Directors the same way it treats theft of Company assets.
- d) To the extent permitted under Applicable Laws, the Company reserves the right to monitor and inspect how its assets are used by Directors and Employees, including inspection of all e-mail, data and files kept on Company network terminals.
- e) The Employee shall protect the Company’s assets including physical assets, information and intellectual rights and shall not use the same for personal gain.
- f) Use of Company Assets for personal benefit or the benefit of anyone other than the Company is not permitted.
- g) Company policy may allow additional personal use of certain assets, such as a Company car or wireless communication device. Always check HR policies to ensure that you are using Company assets as intended.

**K. Corruption:**

- a) Employees shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, contractors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud.
- b) Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private.
- c) Employees should be aware that the offering or giving of improper benefits in order to influence the decision of the recipient, even if he or she is not a government official, may not only entail disciplinary actions but also result in criminal charges. Improper benefits may consist of anything of value for the recipient, including employment or consultancy contracts for closely related parties.



**L. Gift and Entertainment:**

Directors and Employees:

- a) Shall not accept gifts or meals in exchange for doing, or promising to do, anything for a Customer or Supplier.
- b) Shall not ask or accept for gifts, meals, cash or cash equivalents, such as gift cards.
- c) May only offer or accept reasonable meals and symbolic gifts which are appropriate under the circumstances, and they shall not accept or offer gifts, meals, or entertainment, if such behaviour could create the impression of improperly influencing the respective business relationship.
- d) May accept gifts of symbolic value, such as trophies and statues that are inscribed in recognition of a business relationship,
- e) May accept gifts or discounts offered to a large group of Employees or Directors as part of an agreement between the Company and a Customer or Supplier and used as intended by the Customer or Supplier.
- f) Shall politely decline a gift, meal or entertainment that exceeds the limits noted above and explain the Company's rules. If returning a gift would offend the giver, or the circumstances under which it was given preclude its return, you may accept the gift, but should notify the Company Secretary.
- g) Shall not give Company shares as a gift on behalf of the Company under any circumstances.

In case of any doubt, the employee shall seek guidance from his or her immediate superior or the Managing Director/Company Secretary.

**M. Discrimination and Harassment:**

SBAL respects the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination and harassment. Therefore, employees must not discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason.

SBAL maintains an open door for reportees; encourages Employees to report any harassment or discrimination and is responsive to employee complaints about

harassment or other unwelcome and offensive conduct. Employees who feel that their workplace does not comply with the above principles are encouraged to raise their concerns with the HR Department.

Employees shall not commit any offence involving moral turpitude.

The Company demands, demonstrates and promotes professional behaviour and respectful treatment of all Directors and Employees.

#### **N. Dealings with Government Personnel**

Transactions with governments are covered by special legal rules, and are not the same as conducting business with private parties.

Directors and Employees shall not offer anything to a Government Official, directly or indirectly, through a third party, in return for favourable treatment or in order to obtain or retain business. Prior approval from the Company's Legal Department must be obtained before providing anything of value to a Government Official. Ensure that any such payments are properly recorded in the appropriate Company account.

Political contributions by the Company must be:

- Made in accordance with local law;
- Approved by the Board of Directors; and
- Properly recorded.

#### **O. Recordkeeping, Reporting, and Financial Integrity**

Every Director and Employee of the Company must ensure that:

- a) The Company's books, records, accounts and financial statements must be maintained in appropriate detail, must properly reflect the Company's transactions and must conform both to Applicable Laws and to the Company's system of internal controls.
- b) That all reports to regulatory authorities are full, fair, accurate, timely and understandable.
- c) The Company's public financial reports must contain full, fair, accurate, timely and understandable disclosure as required by law. The Company's financial, accounting and legal divisions are responsible for procedures designed to assure proper internal and disclosure controls, and all Directors and Employees should cooperate with these procedures. However, it is everyone's responsibility to ensure accurate and complete business and financial records.

- d) SBAL's financial records are the basis for managing the Company's business and fulfilling its obligations to various stakeholders. Therefore, any financial record must be accurate and in line with SBAL's accounting standards.
- e) The making of false or misleading records or documentation is strictly prohibited.
- f) Documents are not falsified at any point of time so as to distort the truth and not reflect true nature of any transaction.
- g) There is no evasion of taxes or support of another person's efforts to evade taxes or subvert local currency laws. For this reason, payments generally should be made only to the person or firm that actually provided the goods or services. Payments should be made in the Supplier's home country, where it does business, or where the goods were sold or services provided, unless the supplier legitimately has assigned payment or sold its accounts receivable to another entity. Exceptions must be approved by the Company's Compliance Officer.
- h) Only intentional efforts to misrepresent or improperly record transactions, or otherwise to falsify a Company business record, are Code violations.

**P. Defamatory Statements:**

Directors and Employees shall not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders.

Provided that nothing in this clause shall apply to any statement made or views expressed by an Director or Employee, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.

**Q. Duties of Independent Directors:-**

The following are the additional duties of Independent Directors:

- (1) to undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) to 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;
- (3) to strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

(4) to participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(5) to strive to attend the general meetings of the company;

(6) where they have concerns about the running of the company or a proposed action, to ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

(7) to keep themselves well informed about the company and the external environment in which it operates;

(8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(9) to 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;

(10) to ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(11) to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) to act within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **R. Health and Safety**

SBAL attaches great importance to a healthy and safe work environment and to provide a clean, safe and healthy work environment. The Company is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping.

Each Director and Employee has responsibility for maintaining a safe and healthy workplace by following safety and health rules and practices and reporting accidents, injuries and unsafe conditions, procedures, or behaviors. Particular attention should be paid to training of Employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents.

Violence and threatening behavior are not permitted. Employees must report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol.

**S. Compliance with the Code:**

It is each Director and Employee's responsibility to ensure full compliance with all provisions of this Code and to seek guidance where necessary from their immediate Superior, the HR Department, the Legal Department or the Company Secretary.

Any failure to comply with this Code may result in disciplinary action, including the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.

**T. Reporting illegal and non-complaint conduct:**

Employees shall report any practices or actions believed to be inappropriate or illegal under this Code to their immediate Superiors or the Managing Director/Company Secretary. If it is appropriate, in view of the nature of the reported matter, reports of violations may be made directly made to the Chairman of Audit Committee as per the Whistle Blower Policy of the Company.

SBAL prohibits retaliation against any Director or Employee for such reports made in good faith, while it also protecting the rights of the incriminated person.

**7. WAIVER**

Any waiver of any provision of this Code for a Director, Senior Management or Employee must be placed for approval before the Company's Board.

**8. AMENDMENTS TO THE CODE**

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

**9. PLACEMENT OF THE CODE ON WEBSITE**

This Code and any amendment thereto shall be hosted on the website of the Company.

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## APPENDIX-I

### SHRI BAJRANG ALLOYS

#### LIMITED CODE OF CONDUCT

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

**Meaning of “relative”** with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

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

#### **List of relatives**

For the purposes of sub-clause (iii) of sub-section (77) of section 2, a person shall be deemed to be the relative of another, if he or she is related to another in the following manner:

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

**APPENDIX – II**

**SHRI BAJRANG ALLOYS LIMITED**

**CODE OF CONDUCT AND ETHICS**

The Directors and Senior Management Personnel shall disclose the following, in respect of all transactions with related parties:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion ;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature :.....

Name :.....

Designation :.....

Date :.....Place :.....

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by the Director and/or Employee:

- purchases or sales of goods (raw materials, semi finished or finished);
- purchases or sales of fixed assets;
- rendering or receiving of services;
- agency arrangements;
- leasing or hire purchase arrangements;
- transfer of research and development;
- license agreements;
- finance (including loans and equity contributions in cash or in kind);
- guarantees and collaterals ; and
- management contracts including for deputation of employees.