



SHIRPUR GOLD REFINERY LIMITED

CODE OF CONDUCT FOR MEMBERS OF THE BOARD OF DIRECTORS & SENIOR MANAGEMENT

1. APPLICABILITY

This code of conduct is applicable to all the Directors on the Board of Shirpur Gold Refinery Limited (hereinafter referred to as 'SGRL' or the 'Company') and also to the senior functionaries of the Company, i.e., the Head- Finance, Company Secretary, all Business Heads and all Functional Heads of the Company (hereinafter referred to as 'Senior Management').

1.1. General Principles

The underlying principles in defining the code of conduct of the members of the Board and the Senior Management is to:

- a)** Help maintain the standards of business conduct in line with the stated values of the company.
- b)** Help members in striving to perform their duties according to the highest ethical standards of honesty, integrity, accountability, confidentiality and independence.
- c)** Restrict, except with prior approval of the disinterested members of the Board, entering into any transaction or relationship with the Company in which the members of the Board or senior management have a financial or personal interest (either directly or indirectly, such as through a family member or other person or organization with which they are associated), or any transaction or situation which otherwise involves a conflict of interest.
- d)** Ensure confidentiality of all material non-public information about the Company, its business and affairs and make no use of it other than for furtherance of Company's interest.
- e)** Ensure compliance of all applicable Laws and Regulations including Company's Code of Conduct and Policies.

f) Ensure and enable the Company to achieve best standards of Corporate Governance.

The following procedures and guidelines are intended to deal with the most common practical implications of the above principles, but they cannot deal specifically with every potential situation that may arise. Where a member is in doubt as to how a particular situation should be dealt with from an ethical standpoint, he may consult with the Head - Finance or the Company Secretary or may request independent professional advice, in which case, he shall first consult with the Head - Finance or Company Secretary.

2. CODE EXCLUSIVELY FOR THE MEMBERS OF THE BOARD OF THE COMPANY

2.1. Duty to Attend Board/ Committee Meetings

The Members shall make concerted effort to attend all Board/Committee meetings and in case he/she is unable to attend the meeting, he shall notify the same to the Chair. If it is apparent that, a member is likely to miss several Board meetings and therefore unable to fulfill his obligations, he should consider his/her continuation as member of the Board or shall consider appointing alternate director.

Before coming to the meeting, members shall read and understand the agenda papers and other relevant documents sent along with the notice of meeting and prepare for the discussion.

Members shall participate actively and constructively in the discussions of the Board and will follow the guidelines agreed on by the Board regarding how it will govern and conduct itself. Members can express his views, opinions, contrary opinions on matters under discussion or consideration by the Board.

The Board may from time to time constitute various committees with specific reference. Board nominated members of the Committee shall attend all such committee meetings and shall ensure that all the point under the terms of reference of the Committee are addressed within the prescribed time and format. Presently, Board has constituted following committees:

- Audit Committee
- Remuneration Committee
- Share Transfer and Investors Grievance Committee
- Finance Committee

2.2. Active participation in the proceeding at the Board Meetings

The members shall participate actively in the proceedings at the Board Meetings of the Company and shall provide a visionary leadership and make positive contribution to the business and direction to the Organization, ensuring that the company is fulfilling its obligations to its stakeholders as well as its legal and regulatory requirements.

If given any operational responsibility, the Directors shall, while participating in the business of the Company, act honestly, in good faith and in the best interests of the organization, his fellow-members and the retail community and should exercise due care, diligence and skill of a reasonably prudent person under comparable circumstances. It shall be their duty to oversee the management of the affairs and business of the Company while allowing and maintaining independence of operating management.

2.3. Duty to review certain Reports/Compliances

The members of the Board are required to review certain reports / compliance statements about the affairs of the Company at such intervals as may be prescribed from time to time. Following is the indicative list of such reports / compliance statements. The members may add or modify the reports as they may feel appropriate to ensure statutory compliance and smooth & transparent operations of the Company.

- a) Statutory Compliance Report
- b) Annual and Quarterly Financial Statements along with necessary reports
- c) Report on compliance of code of corporate governance
- d) Review of Company's Risk Management policies
- e) Review of Company's investments and policy thereof
- f) Annual Operating Plans and Budgets
- g) Remuneration policies for Executive, Non-Executive Directors and Senior management staff.
- h) Review of Internal controls - Systems and Procedures
- i) Implementation and review of Internal Codes including Code for Prevention of Insider Trading, Code of Conduct for the Board and senior Management, Authorisation Policy etc.

2.4. Conflicts of Interest

While performing their duties, Directors shall carry out their responsibilities to the exclusion of any personal advantage, benefit or interest. The Directors acknowledge their obligations under the provisions of Companies Act, 1956, Disclosure and Investor Protection Guidelines issued by the Securities and Exchange Board of India and shall strictly comply with applicable Indian and foreign laws, regulations and shall not act by themselves or aid or abet any person acting contrary to any such provisions, judgments, orders, judicial, quasi-judicial, administrative or otherwise issued by a competent authority.

Directors shall avoid any situation involving conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. If such a conflict arises, Directors shall promptly inform the Board and withdraw from participation in decision-making connected with the matter. If the conflict is potential rather than actual, Directors shall seek the advice of the Board about whether they shall reclude themselves from the situation that is creating the conflict.

2.5. Business plans and reviews

The Board shall review at least once a year, company's consolidated strategic plan relating to its various businesses, segments, and approve the investments for same with modifications if any.

Investments on the basis of such plans should also be discussed, expected returns thereon crystallised and then approved, culminating in an approved rolling 3-year consolidated financial plan for the company, split up into quarterly figures. Major action plans arising out of the planning process with clearly spelt out responsibilities and time parameters should be documented. Quarterly Results should be monitored against the plan and variances explained by the management. Similarly, returns on major investments as per plan should be monitored and variances explained to the Board. Such review should also encompass the financials of each major subsidiary of the company, if any.

The whole planning and review mechanism at Board level shall be reviewed periodically and systems instituted to cement the process as an on-going one, besides enforcing accountability to the plans in the executive management.

There must be a tracking mechanism for all-major financial reporting covering the period since takeover and future three years. The management must report to the board at least once for a mid term review.

2.6. Evaluation/Training of Independent Directors

Apart from evaluation on the basis of mere attendance at meetings, the performance and contribution of Independent Directors need to be evaluated on certain broad parameters by the whole Board. Training and exposure to the company's business lines of Directors is also essential to make their contribution more meaningful.

2.7. Continuous Disclosures

Under Company law, listing agreements, and other applicable laws Directors are required to disclose certain information to the Company at regular intervals or as and when some development takes place in the previous disclosures made by the directors. A summary of such disclosure requirements are as under:

2.7.1. Disclosure of Interest in other Companies/Firms etc.

The Board members will provide the Company Secretary (on appointment and at such intervals as may be prescribed or when requested by the Company Secretary and where significant changes occur in the interim) with details relating to his employment, other business interests and list of all companies/firms in which he is interested directly or through his relatives.

2.7.2. Disclosure of certain transactions

Board members agree that where the Company has entered into any contractual arrangement with a company or body in which a member has declared interest, such support or arrangement shall be disclosed to the Board and same shall also be disclosed in the annual financial statements.

2.7.3. Disclosure of serious defaults by the Companies/ Firms where he has interest

Members of the Board shall ensure that any of the Company where he is a director is not in serious default such as default in repayment of loan to financial institutions and interest thereon, repayment

of Fixed Deposits, redemption of debentures, payment of dividend, non preparation of annual accounts, material breach of SEBI and other corporate laws. Whenever, such situation arise directors shall get in touch with the Company Secretary for appropriate further action and shall inform the Board. On annual basis a declaration in this regard in the specified format is to be submitted to the Company.

2.7.4. Disclosure of Shareholding & Directorship's

Members of the Board shall --

- a) Disclose details of beneficial shareholding in the Company and/or subsidiaries at the time of appointment and later when there is change therein to the extent provided under insider trading regulations
- b) Disclose particulars of directorship / committee membership in other companies at the time of appointment and yearly thereafter. Any change during the year shall be intimated to the Company and taken on record by the Board at its meeting.

2.8. Restriction on Dealing in Company's Shares

Board members agree not to use any information obtained by virtue of their position for the purpose of dealing (directly or indirectly) in shares, property or otherwise of the Organization. The Company has implemented Code for Prevention of Insider Trading. The members of the Board are also covered within the ambit of the said code. Members of the Board shall not trade in company's equity shares on the basis of price sensitive information and shall oversee the implementation of the Code by all section of people who are covered within the definition of 'Insider'.

2.9. Public Statements

Directors shall make public statement or express any opinions to the press only in the manner approved by the Board of Directors. When making public statements on matters related to the Company, the Directors shall make it clear whether they are speaking on behalf of the Board.

2.10. Gifts and preferential treatment

Board members undertake not to give or receive corporate gifts, hospitality, preferential treatment or other benefits that might affect or could reasonably appear to affect the ability of the member to make independent judgements on transactions involving the Company. Where a benefit has been received in the course of the member's own business that could reasonably appear to affect the member's judgement in relation to the Company matters, the details should be declared.

2.11. Fairness and Work/ External Environment

The Board members recognize their responsibility to act fairly towards clients, employees and general community and support principles of Health and Safety, Environmental Best Practice and Equality legislation.

3. CODE FOR THE MEMBERS OF THE BOARD AND SENIOR MANAGEMENT (COLLECTIVELY REFERRED TO AS 'SUBJECTS')

3.1. Compliance with Laws, Rules and Regulations

All persons who are subjects to this Code are required to comply with every applicable laws for the time being in force and rules and regulations made there under. They are also expected to encourage and promote statutory compliance in its true letter and spirit. Should they come across or witness any non-compliance by any subject, they are expected to notify the same to the Board at the earliest.

3.2. Conflict of Interests

A conflict of interest exists when a subject's personal interest interferes in any way with the interest of the Company. A conflict situation can also arise when subject acts or has interest that may make it difficult to perform his or her Company work objectively and effectively or when his or her family members receives improper personal benefits as a result of his or her position in the Company.

A conflict of interest may also arise in case organizations with which directors or employees are associated have conflict of interest with that of company.

Working with competitors whether for personal gain (direct or indirect) or not, except on behalf of the company or with the approval of the Board or when required by a statutory authority, shall be deemed to be conflict of Interest.

In this regard, subjects are expected to be conversant with circumstances enumerated under applicable Company Law or rules/regulations framed by any regulatory authority and procedure for disclosure of the same to be followed by the subjects and the Board of Directors.

3.3. Insider Trading

Company has already framed a detailed Code of Conduct against Insider Trading, as stipulated by SEBI regulations. The same shall be applicable to all the subjects. Subjects are expected to be well conversant with this code and are required to strictly adhere to this code.

3.4. Corporate Opportunities

Subjects are strictly prohibited from making use of corporate opportunity for their personal gains. A Corporate Opportunity is a profit making opportunity, which in justice and equity belongs to the company.

In case any corporate opportunity arises which partially belongs to the company, subjects are required to advance the legitimate interest of the company to it.

The duty not to take unfair advantage of corporate opportunity also extends to protection of and making proper use of company's property.

3.5. Confidentiality of Critical Information

Subjects have fiduciary duty to maintain confidentiality of all the critical information, the disclosure of which might adversely affect the interest of the Company unless the disclosure is required under any law for the time being in force or pursuant to any direction or order of any statutory authority.

The Disclosure in other cases can be made only with the prior consent of immediate superior or CEO or the Board.

In case of any questions or doubts as to confidentiality or criticality of the information the subjects are expected to consult the Company Secretary.

3.6. Fair Dealing

The Company seeks to gain competitive advantages through superior performance and not through unethical or illegal business practices. Each subject should endeavor to respect the rights of and deal fairly with other subjects and other employees of the Company. No subject should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

No gift or entertainment should ever be offered, given, provided or accepted by any subject to the fellow subject or any other Company employee, family member of an employee or agent unless it is not a cash gift and/or is consistent with customary practices and/or is not excessive in value and/or cannot be construed as a bribe or payoff and does not violate any laws or regulations.

Any prohibited gift can only be made under disclosure to and with permission of CEO or the Board.

3.7. Discrimination and Harassment

The Company believes in providing equal opportunity to all the employees in every aspect of employment. Any discrimination, harassment or derogatory comments against any employee whether based on gender, region, community, caste, creed or religion will be seriously viewed and will be subject to disciplinary action and might entail termination of employment.

Harassment shall also include violent or threatening behavior against any employee.

4. MISCELLANEOUS

4.1. Amendment to the Code

Any amendment to this code can be made by or under the authority of Board of Directors and shall be intimated to all the subjects without delay.

4.2. Waiver of/Exemptions from Code

Only the Board of Directors or any committee thereof can grant any waiver from or exemptions from this code. However the Board cannot grant exemptions or waivers which are in violations of

or not in consonance with true letter and spirit of any applicable law for the time being in force or rules and regulations made there under.

4.3. Ascertain what is expected from you

In every situation subjects are expected to know what is expected of them and should strictly act accordingly. As the subjects are expected to meet novel situations every now and then, considering the level they are working, they are expected to take proper counsel from their senior or may consult the Company Secretary.

4.4. The Code has been drafted in broad and general form to cover wide variety of situations. Therefore subjects are expected to interpret the code in its true letter and spirit and avoid improper behavior.