



SAMRAT FORGINGS LIMITED

Code of Conduct

INTRODUCTION

This Code of Conduct ("this Code") shall be applicable to all Directors and Members of the Senior Management of Samrat Forgings Limited (hereinafter referred to as "the Company" or "SFL")

This Code of Conduct is adopted to conduct the affairs of the Company in a transparent and fair manner in accordance with Company's policies and the applicable laws & regulations and this code is in alignment with the aims & Objectives of the Company and provide complete transparency in managing the affairs of the Company.

INTERPRETATION

In this Code, the following expressions shall have the meaning given to them below:

- 1.1** The term "Board/Board of Directors" shall mean the Board of Directors of the Company.
- 1.2** The term "Whole-time Directors" shall mean the Directors who are in whole time employment of the Company.
- 1.3** The term "Members of the Senior Management" shall mean employees of the Company who are members of its core management team comprising Company Secretary, Chief Financial Officer, Vice President, General Manager(s) and all functional heads excluding Board of Directors.

GENERAL PRINCIPLES OF THIS CODE OF CONDUCT

The underlying principles in defining the code of conduct of the Members of the Board and the Senior Management:

Board Members and members of the senior management will:

- act in the best interests of and fulfill their fiduciary responsibility to the Company;
- act honestly, fairly, ethically and with integrity;
- conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position;
- will deal fairly with all stakeholders;
- comply with all applicable laws, rules and regulations;
- act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- not use the Company's property or position for personal gain;
- will not accept from or give to stakeholders gifts or other benefits not customary in normal social intercourse;
- not use any information or opportunity received by them in their capacity as directors or a member of senior management in a manner that would be detrimental to the Company's interests;
- act in a manner to enhance and maintain the reputation of the Company;
- disclose any personal interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise

influencing a decision on any matter in which the concerned Director or member has or may have such an interest;

- abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the Board in which they may have a conflict or potential conflict of interest;
- respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors or senior management, except when authorized or legally required to disclose such information;
- not use confidential information acquired in the course of their service as Directors or senior management for their personal advantage or for the advantage of any other entity;
- help, create and maintain a culture of highly ethical standards and commitment to compliance.

A Director or member of the senior management who has concerns regarding compliance with this Code should raise those concerns with the Chairperson of the Board and the Chairman of the Audit Committee, who will determine what action shall be taken to deal with the concern.

I. CODE EXCLUSIVELY FOR THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

A. 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, same shall be notified to the Chair well in advance before the scheduled meeting.

Before coming to the meeting, Members should read and understand the agenda papers and other relevant documents sent along with the notice of meeting and prepare for the discussion on the agenda points. In meetings, the members should participate actively and constructively in the discussions of the Board, express their views, opinions on matters under discussion before the Board and will follow the guidelines agreed on by the Board regarding how it will govern and conduct itself.

Board from time to time constitutes various Committees with specific reference of law or other requirement. Members of the Committees should attend all the committee meetings and shall ensure that all the reference points are addressed within the prescribed time and format.

B. ACTIVE PARTICIPATION IN THE BUSINESS OF THE COMPANY

The Members should participate actively in the business of the Company and make a positive contribution to provide a visionary leadership and direction to the Company, ensuring that the Company is fulfilling obligations to its stakeholders as well as its legal and regulatory requirements.

While participating in the business of the Company, the Members should act honestly, in good faith and in the best interests of the Company, 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 the duty of the Members to oversee the management of the affairs and business of the Company while allowing and maintaining independence of operating management.

C. REVIEW OF CERTAIN REPORTS/COMPLIANCES

The Members of the Board are required to review certain reports / compliance statements about the affairs of the Company, required to be filed/submitted to the various government authorities regarding functioning and/or specific measures of the Company at such intervals as may be prescribed from time to time. The Board shall

ensure that all statutory compliances have been complied with pursuant to the provisions of applicable laws, regulations or directions of the statutory authorities.

D. CONTINUOUS DISCLOSURES

Under the 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. A summary of such disclosure requirements is as under:

i) Disclosure of Interest in other Companies/Firms etc.

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.

ii) Disclosure of 'Related Party' Transactions

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

If there is a conflict of interest between the duties of a Director and an interest of the Company in any transaction, he must account to the Company for any benefit he receives in the transaction unless otherwise decided by the Board and members in their general meeting.

iii) 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 thereof and repayment of Fixed Deposits, non preparation of annual accounts, material breach of SEBI regulation and other corporate laws. Whenever, such situation arises, Directors shall inform the Board promptly.

iv) Disclosure of Shareholding

Members of the Board are required to inform the Company about his/her holding of interest either in the form of equity in other Companies or share in the partnership firms and any changes thereto either directly or indirectly.

E. CONFLICT OF INTEREST

While performing their duties, the Directors will carry out their responsibilities to the exclusion of any personal advantage, benefit or interest. The Directors will acknowledge their obligations under the provisions of the Companies Act and various rules, regulations and bylaws applicable on the Company and shall strictly comply with such applicable Indian and foreign laws, regulations and shall not act by themselves and not aid or abet any person acting contrary to any such provisions, judgments, orders issued by a competent authority.

The Directors shall avoid any situation involving a conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. If such a conflict arises, the Directors shall promptly inform the Board of Directors and withdraw from participation in decision-making connected with the matter.

F. RESTRICTION ON DEALING IN COMPANY'S SHARES

Board members 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 Company. Members of the Board shall not trade in Company's 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 trading.

G. RESTRICTION ON GIFTS OR SPECIAL ADVANTAGE

Board Members 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 judgments on transactions involving the Company. In case any such advantage comes up to any Board Member, he/she should inform about the same to the Company.

H. RESPONSIBILITY TOWARDS EXTERNAL ENVIRONMENT

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

I. DUTIES OF INDEPENDENT DIRECTORS

The independent directors shall –

- (a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (b) 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;
- (c) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (e) Strive to attend the general meetings of the company;
- (f) Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (g) Keep themselves well informed about the company and the external environment in which it operates;
- (h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (i) 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;
- (j) 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;
- (k) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(l) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

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

J. CODE FOR INDEPENDENT DIRECTORS

In addition to this code, Independent Directors of the Company shall also comply with Code for Independent Directors of the Company stated under Schedule IV of the Companies Act, 2013.

II. CODE FOR THE MEMBERS ON THE BOARD OF THE COMPANY AND SENIOR MANAGEMENT

A. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

All persons who are subject to this Code of Conduct are required to comply with every applicable law 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.

B. INSIDER TRADING

All persons whom are subject to this code shall 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 Company. They shall not trade in Company's shares on the basis of price sensitive information.

C. CONFIDENTIALITY OF CRITICAL INFORMATION

All persons whom are subject to this code 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, whenever required to be made, can be made only with the prior consent of the Managing Director.

D. 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.

E. CONFLICT OF INTERESTS

A conflict can arise due to several certain or uncertain reasons. The persons whom are subject to this code shall avoid any situation involving a conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. If such a conflict arises, the subjects shall promptly inform the Board of Directors and partake in quick resolving of the same in the best interest of the Company.

F. DISCRIMINATION AND HARASSMENT

The Company believes in providing equal opportunity to all the employees in every aspect of employment. Any discrimination against any employee whether based on gender, region, community or religion or harassment or derogatory comments against any employees 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.

MISCELLANEOUS

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.

2. Waiver of/Exemptions from Code

Only the Board of Directors 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 laws for the time being in force or rules and regulations made there under.

3. Reporting of Unethical Behavior

Any unethical behavior observed by the subject should be notified to the Board at the earliest. Every such notification or reporting should be made in good faith by the subject and should not be *malafide* or to square off any personal grudges against other subjects or in any way intended to frustrate or defeat the objects of this code.

DISCLAIMER

This code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors / Senior Management and other Employees of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in favour of any employee, customer, client, vendor, competitor, shareholder or any other person or entity.

ANNEXURES ATTACHED

1. Acknowledgement of receipt of the Code of Conduct
2. Annual certification to be given at the end of the financial year

ANNEXURE – A

Acknowledgment Of Receipt Of Code Of Conduct For Directors And Senior Management

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

Signature: _____

Name: _____

Designation: _____

Date: _____

Place: _____

ANNEXURE – B

ANNUAL COMPLIANCE CERTIFICATE

I, _____, designation _____ do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct for the Board of Directors and Senior Management, during the financial year ended 31st March, 20____.

Signature: _____

Name: _____

Designation: _____

Date: _____

Place: _____

* To be submitted on or before 30th April every year.