



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 Chief Executive Officer, Chief Financial Officer, Company Secretary, all Business Heads and all Functional Heads of the Company ('hereinafter referred to as 'Senior Management').

1.1 PHILOSOPHY

Basic philosophy of the Code of Conduct has been guided by the practices of good Corporate Governance followed by the Company. The core values of the Company are :-

- Dynamic & successful business organization
- Commitment to service excellence
- Integrity including honesty, openness, fairness & trust.
- A socially-valued enterprise
- Compliance with all applicable laws
- Business integrity.

The Code of Conduct therefore aligns around the said core values and the commitment to maintain the highest standards in its interface with all stakeholders, society at large and the environment.

The Directors and Senior Management recognize that they are responsible and accountable to maximize shareholder value through good business practices and controls.

1.2 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, fairness, accountability, confidentiality and independence.
- c) Avoid company 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, indirectly or on behalf of third parties, 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, except with prior approval of the disinterested members of the Board,.
- d) Ensure confidentiality of all material non-public information about the Company, its business and affairs and not to use 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.
- g) The members of the Company shall not involve themselves in making any decision on a subject matter in which a conflict of interests arises or could arise, between their personal interest and the interests of the Company. In the event of apprehending such conflict of interests the relevant facts shall be disclosed in writing explaining the circumstances that would create or could create the conflicts of interests to: (a) the Board of Directors in the case of Directors (whole-time and non-executive) and (b) Chairman in the case of Senior Management Personnel for further directions in the matter.

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 CEO or the Company Secretary or may request independent professional advice, in which case, he shall first consult with the CEO 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/she shall notify the same to the Chair. The Members shall not absent himself / herself from all the meetings of the Board held during a period of twelve months with or without seeking leave of absence of the Board. If it is apparent that, a member is likely to miss several Board meetings and therefore unable to fulfill his obligations, he/she should consider his/her continuation as member of the Board or shall consider appointing an 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/her 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
- Nomination and Remuneration Committee
- Stakeholders' Relationship 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 and guiding of corporate strategy and major plans of action
- e) Setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditure, acquisitions and divestments
- f) Review of Company's Risk Management policies
- g) Review of Company's investments and policy thereof
- h) Annual Operating Plans and Budgets
- i) Remuneration policies for Executive, Non-Executive Directors and senior management staff.
- j) Review of Internal controls – Systems and Procedures
- k) Implementation and review of Internal Codes including Code for Prevention of Insider Trading, Code of Conduct for the Board and senior Management, Vigil Mechanism, Policy for determining material subsidiaries, risk management plan, policy on materiality of related party transactions and also on dealing with related party transactions, Authorisation Policy etc.
- l) Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning
- m) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders
- n) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board

- o) Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions
- p) Ensuring integrity of company's accounting and financial reporting systems including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards
- q) Overseeing the process of disclosure and communications
- r) Monitoring and reviewing Board Evaluation framework

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, 2013, 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.

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 previous five years and future three years. The management must report to the board at least once for a mid term review.

2.6. Duties of Directors as per Section 166 of the Companies Act 2013 shall be as under:

- a. Subject to the provisions of the Act, a director of a company shall act in accordance with the articles of the company.
- b. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- c. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

- e. A director of a company shall not assign his office and any assignment so made shall be void.
- f. If a director of the company contravenes the provisions of Section 166, such director shall be punishable with fine which shall not be less than one lac rupees but which may extend to five lac rupees.

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:

(i) 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.

(ii) 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.

(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 there on and repayment of Fixed Deposits, 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.

(iv) Disclosure of Shareholding & Directorship's

Members of the Board shall

- 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 provide under insider trading regulations.
- 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 OF CONDUCT FOR INDEPENDENT DIRECTORS AS PER SECTION 149(8) AND SCHEDULE IV OF THE COMPANIES ACT, 2013 (ACT) SHALL BE AS UNDER:

A) An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

- 9) assist the company in implementing the best corporate governance practices.

B) Duties of Independent Directors

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) 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) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) 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;
- 7) 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) 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) 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) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) 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.

C) Role and Functions of Independent Director

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

D) Manner of appointment:

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in

- the company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
 - 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

E) Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

F) Resignation or removal:

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

G) Separate meetings:

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

H) Evaluation mechanism:

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

I) Act of omission or commission for Independent Directors

An independent director shall be held liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the listing agreement.

4. CODE FOR THE MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

4.1. 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. The Company has implemented a Whistle Blower Policy.

4.2. 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.

4.3. 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.

4.4. 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.

4.5. 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.

4.6. 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.

4.7. Discrimination, Harassment and Sexual 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. Further, the Company has in place Sexual Harassment Committee whose role is to attend Sexual Harassment cases under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and Rules.

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

5. MISCELLANEOUS

5.1. 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.

5.2. 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.

5.3. 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.

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.

All the members of the Board of Directors and Senior Management shall affirm in writing compliance with this code immediately after the code is approved and adopted by the Board of Directors of the Company and on an annual basis in every financial year as per Annexure I. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO as per Annexure II.

ANNEXURE-I

The Board of Directors

Dear Sir(s)/ Madam,

Re: Code of Conduct for members of the Board and Senior Management- F.Y. _____

I hereby affirm compliance with the Code of Conduct for members of the Board and Senior Management of the Company.

Signature: _____

Name: _____ Designation: _____

ANNEXURE-II

The Board of Directors

Re: Code of Conduct for members of the Board and Senior Management

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the 'Code of Conduct' for Members of the Board of Directors and Senior Management of the Company for the Financial Year ended March 31, _____

Name: _____

Designation: _____