



SRU STEELS LIMITED

CODE OF CONDUCT

FOR

BOARD MEMBERS AND

SENIOR MANAGEMENT

PERSONNEL

CODE OF CONDUCT

Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) stipulates that the Board of Directors of every listed company shall lay down a code of conduct for all Board members and Senior Management personnel of the Company.

1. INTRODUCTION

This Code of Conduct (hereinafter referred to as “Code”) is applicable to the Members of the Board (hereinafter referred to as “Directors”) and the Senior Management of **SRU STEELS LIMITED** (the “Company”). It reflects the Company’s underlying ethical values and commitment to lay standards of integrity, transparency, fairness, accountability and pursuit for excellence.

- 1.1 The purpose of this Code is to demonstrate the ethical and transparent process in managing the affairs of the Company and thus to sustain the trust and confidence reposed in the Management by the stakeholders and business partners. Directors and Senior Management are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- 1.2 The principles prescribed in this Code are general in nature and lay down broad standards of compliance to Clause 49 of the Listing Agreement with the Stock Exchanges, where the shares of the Company are listed for trading.
- 1.3 The Company currently has in place the Executive Conduct, Discipline & Appeal Rules (CDA Rules)/ Standing Orders as amended from time to time which govern the conduct of all employees of the Company including Whole-time Directors. The Rules/Orders provide for good conduct and discipline as well as provide for penalties in the case of violations and the appeal mechanism.
- 1.4 It is clarified that this Code is applicable to all Directors and Senior Management, including the Part-time Directors. In case of Whole-time Directors and the Senior

Management Personnel, this Code is applicable over and above the CDA Rules of the Company.

- 1.5 The Code comes into force with effect from the date of Listing of Shares of the Company on the Stock Exchange.
- 1.6 All Directors and Senior Management shall sign the acknowledgment form at **Annexure -I** and return the form to the Company Secretary indicating that they have received, read and understood the provisions of the Code and agree to comply with the same. All Directors and Senior Management shall be required to affirm compliance with this Code on an annual basis, within 30 days of close of every financial year to the Company Secretary of the Company, in the form annexed at **Annexure -II**.

2. DEFINITIONS AND INTERPRETATIONS

2.1 In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

- a) **"Board"** or **"Board of Directors"** shall mean all the members of the Board of Directors of the Company, including the Part-time Directors
- b) **"Company"** shall mean **SRU Steels Limited**.
- c) **"Chief financial officer"** whatever name called, shall mean the person heading and discharging the finance function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under these regulations.
- d) **"Compliance Officer"** shall mean the Company Secretary of the Company
- e) **"Key managerial personnel"** mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.
- f) **"Independent director"** means a non-executive director, other than a nominee director of the listed entity:
 - i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;

- ii. who is or was not a promoter of the Company or its holding, subsidiary or associate company or member of the promoter group of the company
- iii. who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- v. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- vi. who, neither himself, nor whose relative(s) -
 - A. holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - B. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - 1. a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - 2. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - C. holds together with his relatives two per cent or more of the total voting power of the company; or

- D. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity Company;
- E. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- vii. who is not less than 21 years of age.
- viii. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director;
- g) **“Managing director” or “Manager”** shall mean the person so appointed in terms of the Companies Act, 2013;
- h) **“Part-Time Directors”** shall mean the Board Members who are part-time directors and not in the whole time employment of the Company.
- i) **“Related party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.
- j) **“Related party transaction”** means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.
- k) **“Relative”** have been defined under section 2(77) to mean. Anyone who is related to another, if –
- they are members of a Hindu Undivided Family;
 - they are Husband and Wife; or
 - one person is related to the other in any of the following manner:-
 - Father (including step-father)
 - Mother (including step-mother)
 - Son (including step-son)
 - Son’s wife

- Daughter
 - Daughter's husband
 - Brother (including step-brother)
 - Sister (including step-sister)
- l) **“Senior Management”** shall mean officers/personnel of the Company who are the members of its core management team excluding the Board of directors and normally this shall comprise all the members of the management one level below the chief executive officer/managing director/whole time director/manager including chief executive officer/manager, in case they are not part of the board and shall specifically include company secretary and chief financial officer.
- m) **“Whole-time Directors”** shall mean the Board Members who are in whole-time employment of the Company.

3. **APPLICABILITY**

This code is applicable to the following person:

- a) All Directors; and
- b) Senior Management

4. **Guidelines for Conduct**

Every person to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall conform to the highest moral and ethical standards and at all time, be loyal to the Company and act in good faith and in the best interest of the Company.

Besides the **duties and responsibilities** cast upon Directors by applicable laws, articles of association of the Company and provisions of the Code, set out hereinbefore, a Director is also expected to:

- use such degree of skill as may be reasonable to expect from a person with his/ her knowledge or experience;
- act honestly, fairly, ethically and with integrity;
- not seek to influence any decision of the Board for any consideration other than in the interests of the Company;

- conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position;
- make reasonable efforts to attend Board meetings, meetings of the committees of the Board where the Director is a member and general meetings of shareholders, regularly;
- inform the chairman of the Board/ committee or the Company Secretary of the Company well in advance in case he is not in a position to attend a Board/ committee meeting and apply for the grant of leave of absence;
- dedicate sufficient time, attention and energy to the deliberations at the meetings to ensure diligent performance of their duties;
- not hold any positions or jobs or engage in outside businesses or other interests that are prejudicial to the interests of the Company; and
- inform the Board, at the earliest opportunity, any existing or potential conflict of interest situation.

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.

5. DUTIES OF DIRECTORS

In terms of Section 166 of the Act, Following are the duties of the Board of Directors

5.1. Act in accordance with the company's Articles, subject to the provisions of the Act.

5.2 Act in good faith in order to promote the objects of the company, for the benefits of its members as a whole, and in the best interest of the company, its employees, the shareholders, the community and for the protection of environment.

5.3 Exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment

5.4 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.

5.4 Shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates. However, where such Director is found guilty of making undue gain, he shall be liable to pay an amount equal to that gain to the company.

5.5 Shall not assign his office and any assignment so made shall be void.

6. Responsibilities of the board of directors: Regulation 4(f)

The board of directors of the Company shall have the following responsibilities:

A. Disclosure of information

1. Members of board of directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
2. The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

B. Key functions of the board of directors-

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
2. Monitoring the effectiveness of the company governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the Company and its shareholders.
5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.

6. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the 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.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing board of director's evaluation framework.

C. Other responsibilities

1. The board of directors shall provide strategic guidance to the Company, ensure effective monitoring of the management and shall be accountable to the company and the shareholders.
2. The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
3. Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
4. The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
5. Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
6. The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
7. The board of directors shall exercise objective independent judgement on corporate affairs.
8. The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

9. The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
10. The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.
11. When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
12. Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
13. In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
14. The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

7. Independent Director (LODR)

7.1. Evaluation of Independent Director

The evaluation of independent directors shall be done by the entire board of directors which shall include –

- (a) performance of the directors; and
- (b) fulfillment of the independence criteria as specified in these regulations and their independence from the management

The directors who are subject to evaluation shall not participate.

7.2. Code of conduct

Independent director will abide with the code of conduct for Independent Director/s as provided in **Annexure- III**.

7.3. Familiarization Programme for Independent Director

The familiarization program should intend to familiarize the independent directors about the Company through various programmes, including the following:

- 7.3.1. Nature of the industry in which the Company operates;
- 7.3.2. Business model of the Company;
- 7.3.3. Roles, rights, responsibility of independent Directors and
- 7.3.4. Any other relevant information.

The details of such familiarisation programmes shall be disclosed on the company's website and a web link thereto shall also be given in the Annual Report."

7.4. STOCK OPTION

Independent Directors are not entitled to stock options.

8. OTHER DIRECTORSHIP

Unless specifically permitted by the Board, the Board Members shall not serve as Director of any other Company or as Partner of a Firm that is engaged in a competing business with the Company. This clause is not applicable to Ex-officio Government Nominee Directors.

Senior Management Personnel shall obtain prior approval of the Chairman and Managing Director/Competent Authority for accepting Directorship of any other company or partnership of a firm.

8.1. Limit on Number of Directorships

- A person cannot be a Director in more than 20 companies out of which not more than 10 can be public companies. The Directorships held by a person will also include the directorships held by him in the capacity of an Alternate Director in any of the companies.
- A person shall not be a director in more than seven listed entities.
- Maximum number of Boards an independent director can serve on listed companies be restricted to 7 and 3 in case the person is serving as a whole time director in a listed Company.
- A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director. Every director shall inform the listed entity about the committee

positions he or she occupies in other listed entities and notify changes as and when they take place.

Explanation:

- i. The limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
- ii. For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

8.2. Disclosure of Interest in other Companies/Firms etc. (Section 184 read with Rule 9)

- The Board members will provide to the Company (on appointment and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made or when requested by the Company Secretary) 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 in the format provided in **Annexure –IV**.
- Every director of the company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
 - a) with a body corporate in which such director or such director in association with any other director, **holds more than two per cent** shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
 - b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested

- c) Members of the Board and senior management personnel should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- d) It shall be the duty of the Director giving notice of interest to cause it to be disclosed at the meeting held immediately after the date of the notice.

8.3. 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 there on and repayment of Fixed Deposits, non-preparation/ non-filing of annual accounts and annual return, material breach of SEBI and other corporate laws. Whenever, such situations 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 format provided in **Annexure - V**, is to be submitted to the Company.

8.4. RESIGNATION BY DIRECTOR:

- 1) The resignation or removal of a director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) A Director may resign from his office by giving a notice in writing to the company. Directors are required to forward their resignation along with detailed reasons for resignation to the ROC.
- 3) The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

8.5. VACATION OF OFFICE OF DIRECTOR

As per the provision of Section 167 of the Companies Act, 2013 the office of a director shall become vacant in case-

- a) he incurs any of the disqualifications specified in section 164;

Provided that where he incurs the disqualification under sub-section (2) of section 164, the office of the director shall become vacant in all the companies, other than the company which is in default under that sub-section.

- b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- e) he becomes disqualified by an order of a court or the Tribunal;
- f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

Provided that the office shall not be vacated by the director in case of orders referred to in clauses (e) and (f)-

(i) for thirty days from the date of conviction or order of disqualification;

(ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or

(iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of.

- g) he is removed in pursuance of the provisions of this Act;
- h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

8.6. Restriction on Dealing in Company's Shares (Previous policy)

Board of Directors 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 Director of a Company shall not buy in the Company, or in its holding, subsidiary or associate Company:

- a right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures
- a right, as he may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

8.7. Gifts and preferential treatment

The Directors and Senior Management shall neither receive nor offer or make directly or indirectly corporate gifts, hospitality, donation or preferential allotment which are intended to or perceived to obtain undue favours in the transactions detrimental to the interest of the Company, except for nominal value, which are customarily given and are of commemorative nature for special events and should never be of a kind that could create an appearance of impropriety.

Where a benefit has been received in the course of the Directors' own business that could reasonably appear to affect the Directors' judgement in relation to the Company's matters, the details should be declared.

8.8. PUBLIC REPRESENTATION

The Company honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing information in

relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company or the Group shall be represented only by specifically authorised directors and employees. It will be the sole responsibility of these authorised representatives to disclose Company related information.

9. RESTRICTIONS ON THE DIRECTORS/SENIOR MANAGEMENT

9.1. Prohibition on Insider Trading of Securities

The Directors and Senior Management shall comply with the Code of Internal Procedures and Conduct in dealing with the securities of the Company as applicable from time to time and no Director or Senior management of a Company shall enter into Insider Trading. However the same shall not apply to any communication required in the ordinary course of business or profession or employment or under any law.

9.2. Restriction on non-cash transactions involving Directors (Section 192)

No company shall enter into an arrangement by which

- a) a director of the company or its holding, subsidiary or associate company or a person connected with him acquires or is to acquire assets for consideration other than cash, from the company or
- b) the company acquires or is to acquire assets for consideration other than cash, from such director or person so connected, unless prior approval for such arrangement is accorded by a resolution of the company in general meeting .

10. CONFIDENTIALITY OF INFORMATION

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

- (i) specifically authorized; or
- (ii) the same is part of the public domain at the time of disclosure; or
- (iii) is required to be disclosed in accordance with applicable laws

11. Compliance with Laws, Rules and Regulations

Every Director and Senior Management personnel shall, in his or her business conduct, comply with all 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.

If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail. If any Director or member of Senior Management come across or witness any non-compliance, they are expected to notify the same to the Board at the earliest. The Company has implemented a Whistle Blower & Vigil Mechanism Policy.

12. 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.

13. HEALTH, SAFETY AND ENVIRONMENT

The Directors and Senior Management shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

14. PROTECTION OF ASSETS

The Directors and Senior Management of the Company shall employ the assets of the Company and for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

15. MISCELLANEOUS

15.1. Amendment to the Code

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management shall be duly informed of such amendments and modifications.

15.2. VIOLATION:

It shall be the responsibility of every director and senior management personnel to help enforce this code. They shall bring to the notice of the Chairperson of the Company, any observed material violation of this code or any other policies or laws as applicable to the business of the company or any probability of occurrence of such violation.

15.3. WEBSITE:

In compliance with Regulation 46 of the SEBI Regulations, this Code and any other amendment/s thereto shall be posted on the website of the Company.

16. CONSEQUENCES OF NON- COMPLIANCE OF THIS COD

- 16.1.** In case of breach of this Code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary
- 16.2.** In case of breach of this Code by the Senior Management, the same shall be dealt with by Chairman & Managing Director in accordance with the CDA Rules of the Company

SRU STEELS LIMITED

**CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL
ACKNOWLEDGEMENT FORM**

I have received, read and understood the Company's Code of Conduct for Board and Senior Management (the "Code"). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws applicable to me in the Director/ Senior Management capacity. I agree to comply with all the applicable clauses of the Code.

Name of the Director/ Senior Management

Signature & Date

SRU STEELS LIMITED

**CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL
ANNUAL COMPLIANCE REPORT***

To,
The Chairperson,
The Board of Directors
SRU Steels Limited
A-48, 1st Floor Wazirpur Industrial
Area Delhi -110052

Dear Sir/Madam,

Sub: Declaration confirming compliance with the Code of Conduct

I, Mr. /Mrs. /Ms. _____, _____(designation) do and hereby acknowledge and confirm that during the financial year _____, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Directors and Senior Management of the Company or any policies or legal/ regulatory requirement of the Company, directly or indirectly applicable to my job or responsibility.

Signature:

Name:

Designation:

Place:

Date:

SRU STEELS LIMITED

CODE OF CONDUCT
FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

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.

II. Role and functions:

The independent directors shall:

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 controls 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.

III. Duties:

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. act within their 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.

IV. 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 fulfils the conditions

specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

4. The appointment of independent directors shall be formalised 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.

V. Re-appointment:

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

VI. 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 three month 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.

VII. Separate meetings:

1. The independent directors of the company shall hold at least one meeting in a financial 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.

VIII. Evaluation mechanism:

- a) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- b) 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.

SRU STEELS LIMITED

FORM MBP - 1**Notice of interest by director****[Pursuant to section 184 (1) and rule 9(1)]**

To
The Board of Directors
SRU Steels Limited

Dear Sir(s)

I,....., son/daughter/spouse of, resident of....., being a director in the company hereby give notice of my interest or concern in the following company or companies, bodies corporate, firms or other association of individuals:-

Sl. No.	Names of the Companies /bodies corporate/ firms/ association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed

Signature:
MD/Director/Secretary/Whole time Director

Place:

Date:

SRU STEELS LIMITED

**Intimation by Director
[Pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and
Qualification
of Directors) Rules, 2014]**

Registration No. of Company:	
Nominal Capital Rs.:	
Paid-up Capital Rs.:	
Name of Company:	
Address of its Registered Office:	

To,
The Board of Directors

I _____ son/daughter/wife of _____ resident of _____ director/managing director/manager in the company hereby give notice that I am/was a director in the following companies during the last three years:-

Name of the Company	Date of Appointment	Date of Cessation

I further confirm that I have not incurred disqualification under section 164(2) of the Companies Act, 2013 in any of the above companies, in the previous financial year, and that I, at present, stand free from any disqualification from being a director.

Or

I further confirm that I have incurred disqualifications under section 164(2) of the Companies Act, 2013 in the following company(s) in the previous financial year, and that I, at present stand disqualified from being a director.

Name of the Company	Date of Appointment	Date of Cessation

Signature: -----
(Full Name) -----
(DIN)

Dated this _____ day of _____