

SURAJ INDUSTRIES LTD

Registered Office - Plot No. 2 Phase-III, Sansarpur Terrace, Distt. Kangra, H.P.-173212

CIN: L26943HP1992PLC016791

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Telephone No: 01970-256414

CODE OF BUSINESS CONDUCT AND ETHICS FOR THE BOARD OF DIRECTORS, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

1. INTRODUCTION & BACKGROUND

Suraj Industries Limited ('the Company') follows the four major pillars of Corporate Governance in the form of accountability, fairness, transparency and responsibility. We at the company are very fair in the protection of rights of stakeholders; we consider it our intrinsic responsibility for the timely, accurate disclosure on all material matters, including the financial situation, performance, ownership and Corporate Governance.


Our Corporate Governance philosophy is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholder's and is guided by a strong emphasis on transparency, accountability and integrity. For several years, the Company has adopted a codified Corporate Governance Charter, which is in line with the best practice, as well as meets all the relevant legal and regulatory requirements. All Directors and employees are bound by Codes of Conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company. The philosophy is manifested in its operations through exemplary standards of ethical behaviour, both within the organization as well as in external relationship.

The company's philosophy on corporate governance is aimed at:

- a) Enhancing long term shareholder's value through:
 - Assisting the top management in taking sound business decisions and;
 - Prudent Financial management
- b) Achieving transparency and professionalism in all decisions and activities of the company.
- c) Achieving excellence in Corporate Governance by:
 - Confirming to prevalent guidelines on Corporate Governance and excelling in, wherever possible and;
 - Reviewing periodically the existing systems and controls for further improvements.

The company's Corporate Governance has been a high priority both in letter as well as in spirit. The Company believes that the Board considers itself a trustee of all stakeholders' and acknowledges its responsibilities to the stakeholders' for creating and safeguarding their wealth.

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2. APPLIABILITY OF THIS CODE

Suraj Industries Limited is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. This Code of Business Conduct and Ethics is applicable to all the Directors, Senior Management and other employees of Suraj Industries Limited, as well as to other employees of the Group. It helps in maintaining and following the standards of business conduct of the Company. The purpose of the Code is to deter wrongdoing and promote ethical conduct in the Company. These are essential so that we can conduct our business in accordance with our stated values.

Ethical business conduct is critical to a business. Accordingly, Employees of the Company are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with: all applicable laws; rules and regulations and all applicable policies and procedures adopted by the Company that govern the conduct of its employees. The directors and officers of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

For any further clarifications they may contact Head of HR / Secretarial Department of the Company.

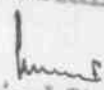
As it is applicable to all the employees, they should sign the acknowledgment form at the end of this Code and return the form to the HR department indicating that they have received, read and understood, and agreed to comply with the Code.

3. DEFINITIONS AND INTERPRETATION

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

- 3.1 "Board / Board of Directors" shall mean the Board of Directors of the Company;
- 3.2 "Board Members" shall mean the Members of the Board of Directors of the Company;
- 3.3 "Conflict of Interest" means where the interests or benefits of one person or entity conflict with the interests or benefits of the company;
- 3.4 "Company" shall mean the Suraj Industries Limited.

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- 3.5** "Employee" means every employee of the Company including the Directors in the employment of the Company;
- 3.6** "Non-Whole-time/Non-Executive/Independent Directors" shall mean the Board Members who are Part-time Directors and not in whole time employment of the Company;
- 3.7** "Relative" shall have the same meaning assigned to the term in Sections 2(77) of the Companies Act, 2013 and Rule 4 of Companies (Specification of definitions details) Rules, 2014 and as more specifically detailed in **Annexure-1**;
- 3.8** "Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding the Board of Directors and would comprise of all members of management one level below the Whole Time Directors, including head of departments directly reporting to Whole Time Directors;
- 3.9** "Whole-time Directors" shall mean the Board Members who are in whole-time employment of the Company.

4. HONEST AND ETHICAL CONDUCT

All Officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, not only on Company's premises and offsite but also at company sponsored business, social events as well as any places.

Honest conduct is understood as such conduct that is ethical, free from fraud or deception and conforming to the accepted professional standards. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

5. CONFLICTS OF INTEREST

A conflict situation can arise:

- 5.1** When an employee, officer, or director takes action or has interests that may make it difficult to perform his or her work objectively and effectively,
- 5.2** The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,
- 5.3** Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,
- 5.4** The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
- 5.5** Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,

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- 5.6** Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

The directors, officers and employees should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Board of directors or any Committee / officer nominated for this purpose by the Board and a prior written approval should be obtained.

6. CORPORATE OPPORTUNITIES

All the Directors, Senior Management and other employees of the company owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, officers, and employees are expressly prohibited from:

- 6.1** Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or position,
- 6.2** Competing directly with the business of the Company or with any business that the Company is considering,
- 6.3** Using Company's property, information or position for personal gain. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he/she may pursue such activity only after disclosing the same to the Board of directors or the nominated person/committee.

7. COMPETITIVE PRACTICES:

The company does not use unlawful, improper or illegal way of collecting competitive information owned by others. This is kept in mind by all employees that they should not disclose any information gathered from their past employment to their present employers. We seek to outperform our competitors fairly and honestly. Each employee endeavors to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee takes unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

8. CONNECTION WITH PRESS/TV/RADIO

The Executive Directors of the Company are the only persons who are allowed to interact with the media/ radio/ press. No other officers except with the permission of Executive Directors of the Company will make any statement in press/ media. No officer of the Company can criticize the Company in any article / in radio/ TV broadcast etc.

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9. CONFIDENTIALITY

All information developed within the Company with respect to its business is confidential and is not disclosed to any unauthorized person. The directors, officers and employees shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The directors, officers and employees do not discuss confidential company information outside the Company, even with their families and relatives. Such information is protected because unauthorized disclosure could destroy its value to the Company and give unfair advantage to others. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or harmful to the Company or its associates. The use of confidential information for his/her own advantage or profit is also prohibited.

10. COMPANY FUNDS AND PROPERTY

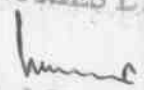
All the Directors, Senior Management and other employees of the company are personally responsible for all Company funds over which they exercise control. Company's representatives should not be allowed to exercise control over Company's funds. Company's funds must be used only for company's business purposes. All the Directors, Senior Management and Other Employees must not use the Company's funds for any personal purposes nor sold out unless otherwise expressed or implied, given away or disposed of without proper authorization.

11. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS/ INTERNAL COMPANY POLICIES

Officers must comply with all applicable governmental laws, rules and regulations. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the finance department. Officers must comply with the company's internal policies including the Company's Code of Conduct to Regulate, Monitor and report trading by insiders as applicable to them with respect to the purchase and sale of the Company's securities. Further, the Independent Directors shall specifically comply with all the duties enumerated under Schedule IV to the Companies Act, 2013, as may be in force from time to time.

12. DISCLOSURE

Our policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with, or submitted to any outside agency and in our other public communications. Accordingly, the Officers must ensure that they and others in the Company comply with company's disclosure controls and procedures, and our internal controls for financial reporting. The financial data's of the companies are according to the applicable Accounting Standards and policies & falsifications of records are always unacceptable to the company.

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13. FAIR DEALING

The Company is an equal opportunity employer providing equal access to employment opportunities and fairness in dealings at all levels without discrimination on the basis of race, colour, religion, gender, nationality, disability or age. Each director, officer, and employee should deal fairly with customers, suppliers, competitors, and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing practices.

14. RECORD KEEPING

The company requires keeping correct, true and accurate records of all its accounting and other information. It is necessary that all its employees should report correct information to its senior executives and should not misguide them. All books, records and accounting of the company must reflect accurate and true position of the activities and status of the company, no misleading information should be there, as there are some of the documents which are meant for public reading also, and if they are not accurate or are misleading then this will reflect the company's position in darkness. Records are always retained or destroyed according to the Company's record retention policies and applicable law.

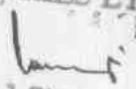
15. GIFTS AND GRATITUDE

The Board Members and the Senior Management team neither receives nor offers or make directly/indirectly any illegal payments, gifts, donations or any benefits which are intended to obtain business or unethical favours and except nominal gifts which are customary in nature or associated with festivals.

16. DECLARATIONS TO THE BOARD

A Board Member does not take membership of more than such number of committees or act as Chairman of more than such number of committees across all companies as is prescribed under applicable law or provisions of Listing Agreement with Stock Exchanges. Every Board Member informs the Board of all such membership at the beginning of each financial year and also of every change as and when they take place.

All the Directors, Senior Management and other employees of the company should inform their equity holding in the company and any changes that may take place and do not indulge in any trading of the securities of the company which would come within the purview of the Company's Insider Trading Regulations. In case of any agreement or contract which is or shall be entered into by and between two corporate entities, in which a Director is interested, the Director forthwith draws the

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attention of the Board about the fact and does not participate in the deliberations nor vote on the resolution relating to the same.

17. COMPENSATION AND DISCLOSURES

The fees and compensation payable to the Board Members (both executive and non executive) are fixed in accordance with the approvals as per the applicable provisions of law and the same are fully disclosed in the Annual Report.

18. DUTIES AND RESPONSIBILITIES OF INDEPENDENT DIRECTORS

Pursuant to section 149(6) & (7) read with Companies (Appointment and Qualification of Directors) Rules 2014 along with Schedule IV for Code of Independent Directors and the recent amendments made by SEBI in clause 49 of Listing Agreement vide circular no CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and circular no CIR/CFD/POLICY CELL/7/2014, dated 15th September 2014 and with reference to the Duties, Responsibilities and Liabilities as mentioned in the appointment letters as issued to all the Independent Directors, the Independent Directors shall adhere to the following duties-

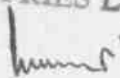
19.1 Independent Directors shall have the same general legal responsibilities to the Company as any other Director, such as Independent Directors shall:

- a) Exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgement;
- b) Not involve in a situation which may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the company;
- c) Not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates and if found guilty of making any undue gain, they shall be liable to the amount equal to that gain to the company;
- d) Not assign their office.

19.2 Further Independent Non-Executive Director 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 they 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;

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- 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.

19. LIABILITY OF INDEPENDENT DIRECTOR

An Independent director shall be liable for acts of omission or commissions by the Company which is occurred with their knowledge, attributable through Board process and with their consent or connivance or where they did not act diligently.

20. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at **Annexure-2** and forward the same to the Compliance Officer indicating that they have received, read, understood and agreed to comply with this code.

21. ANNUAL COMPLIANCE REPORTING

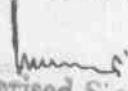
In terms of clause 49 of Listing Agreement, All the Directors, Senior Management and other employees of the company shall affirm the compliance of this code on an annual basis. The Annual Report of the company shall also contain a declaration to this effect duly signed by the Managing Director of the company.

A Performa of Annual Compliance Report is at **Annexure-3**. The Annual Compliance Report shall be forwarded to the Compliance Officer. If any Director/ Senior Management Personnel leaves the Company any time during a financial year, he/she shall send a communication to Compliance Officer affirming compliance of the Code till the date of his association with the company.

22. ACKNOWLEDGMENT AT THE TIME OF JOINING

All New Joiners, at the time of joining, shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at **Annexure-4** and

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forward the same to the Compliance Officer/HR Department indicating that they have received, read, understood and agreed to comply with the terms of employment applicable to them and this code.

23. AMENDMENTS & MODIFICATION TO THE CODE

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

24. PLACEMENT OF THE CODE ON THE WEBSITE

This Code and any amendments thereto shall be hosted on the website (www.surajindustries.org) of the company.

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MEANING OF RELATIVE

As per Section 2(77) of the Companies Act, 2013, "relative", with reference to any person, means anyone who is related to another, if:

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

Further, Rule 4 of Companies (Specification of definitions details) Rules, 2014 provides that a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

1) Father:

Provided that the term "Father" includes step-father.

2) Mother:

Provided that the term "Mother" includes the step-mother.

3) Son:

Provided that the term "Son" includes the step-son.

4) Son's wife.

5) Daughter.

6) Daughter's husband.

7) Brother:

Provided that the term "Brother" includes the step-brother;

8) Sister:

Provided that the term "Sister" includes the step-sister.

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ACKNOWLEDGEMENT FORM

I _____, have received and read the Company's "Code of Business Conduct and Ethics for the Board of Directors, Senior Management Personnel and Other Employees". I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature : _____

Name : _____

Designation : _____

Date : _____

Place : _____

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ANNUAL COMPLIANCE REPORT*

I _____ do hereby Solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the "Code of Business Conduct and Ethics for the Board of Directors, Senior Management Personnel and Other Employees" during the financial year ending 31st March _____.

Signature : _____

Name : _____

Designation : _____

Date : _____

Place : _____

* To be submitted by 30th April each year.

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Employee Declaration

(To be submitted to the HR Department/Compliance Officer at the time of joining)

I _____ do hereby Solemnly affirm that have read and understood the terms of employment applicable to me and the provisions of the Company's Code of Business Conduct and Ethics for the Board of Directors, Senior Management Personnel and Other Employees'

Further my entire recruitment, selection and joining process followed by the company was completely transparent and highly appreciable. I have neither been asked for nor have I given any favour nor have I paid any consideration, monetary or otherwise, to any officer of the company or to any other person whomsoever during and for my recruitment/selection by the company.

I am aware that any act in contravention of the above provision on my part shall attract initiation of appropriate action as deemed fit by the Company.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I understand I can consult the HR/ Secretarial Department, and that my questions or reports to these sources will be maintained in confidence.

Signature : _____


Name : _____

Designation : _____

Date : _____

Place : _____

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