



**CODE OF CONDUCT FOR DIRECTORS**  
**AND SENIOR MANAGEMENT**  
**OF AANCHAL ISPAT LIMITED**



## 1. PREAMBLE

Regulation 17(5) 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.

This code of conduct (“**code**”) is intended to provide guidance to the Board of Directors and senior management personnel to manage the affairs of the company in the ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conducts of Employee, Board of Directors and Senior Management Personnel and to develop a culture of honesty and accountability.

This Code may be amended by the Board of Directors of the Company from time to time provided that such revised Code complies with the Listing Regulations.

## 2. DEFINITIONS

“**Board**” or “**Board of Directors**” shall mean the Board of Directors of the Aanchal Ispat Limited.

“**Company**” shall mean Aanchal Ispat Limited (AIL).

“**Compliance Officer**” shall mean the Company Secretary of the Company and in his/her absence any senior officer, so designated by the Board for the purpose of compliance with the Code.

“**Directors**” shall mean a member of the Board.

“**Listing Regulations**” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Senior Management**” Means officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of 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.



### **3. APPLICABILITY OF THE CODE**

The Code applies to all the members of Board of Directors and all the members of the Senior Management of the Company.

The independent directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013.

The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board. The Company Secretary of the Company is appointed as the Compliance Officer under the Code and will be available to answer any questions, provide clarification and to help in ensuring compliance with the Code.

### **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.

***Every member of the Board of Directors of the Company should-***

- Act in accordance with the Articles of Association of the Company.
- Act in good faith in order to promote the objects of the Company for the benefit of its members as a whole and in best interest of the Company, its employees, the shareholders, the community and for the protection of the environment.
- Exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- Not involve in any situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- Not achieve or attempt to 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/she shall be liable to pay an amount equal to that gain to that Company.



- Not assign his/her office and any assignment so made shall be void.
- Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, include preparing the meetings and decision-making by reviewing in advance any materials distributed and making reasonable enquiries.
- Where the decision is not unanimous, a dissenting Director may disclose the fact that he/she dissented.

***Every member of the Board of Directors of the Company and Senior Management of the Company should-***

- Seek to comply with all Corporate Policies
- Conduct themselves in a professional, courteous and respectful manner.
- Act in a manner to enhance and maintain the reputation of the Company.
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service except when authorized or legally required to disclose such information.
- Not use confidential information acquired in the course of their service for their personal advantage.

## **5. CONFLICT OF INTEREST**

### **General Guidance**

The Directors and senior management personnel are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests. A Conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment on behalf of the Company. General guidelines to better understand several of the most common examples of situations that may cause a conflict of interest are listed below. Directors & the senior management personnel are required to disclose to the Board any situation that may be, or appear to be, a conflict of interest. When in doubt, Disclosure is the best way out.



**(a) Outside Employment:**

Executives Directors and Senior Management personnel shall not work for or receive payments for services from any competitor, customer, distributor or supplier of the Company without approval of the Board. Any outside activity must be strictly separated from the company's employment and should not harm job performance at the company.

The Executive Directors and the Senior Management personnel shall devote themselves exclusively to the business of the Company and shall not accept any other work or assignment (part-time or otherwise).

**(b) Board Memberships**

Acceptance of Directorship on the Boards of other Companies, which compete, with the Company amounts to conflict of interest. Helping the community by serving on Boards of non-profit or welfare organizations is encouraged, and does not require prior approval.

**(c) Family Members and Close Personal Relationships**

Directors and Senior Management personnel shall not use personal influence to make the Company do business with a company/institution in which his or her relatives are interested. As a general rule, Directors and Senior Management personnel shall avoid conducting Company's business with a relative or with an entity in which a relative is associated in any significant role. In case of conflicts, disclosure shall be made to the Board of Directors and a prior approval shall be obtained.

**(d) Gifts (Gifts are not always physical objects—they might also be services, favors or other items of value.)**

The Directors and Senior Management personnel shall not accept lavish gifts or gratuities or any offer, payment, promise to pay, or authorization to pay any money, or anything of value that could be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another company's name, business meals, gifts received because of personal relationships and not because of official position, mementos received because of attending a widely held gatherings as panelist /speaker and other customary gifts are allowed. Gifts on behalf of the Company -Some business situations call for giving gifts. These gifts shall be legal, reasonable. Directors and senior Management personnel shall not pay bribes. It is understood that gift giving practices vary among cultures and countries. Directors and Senior Management personnel shall not provide any gift if law or the policy of the recipient's organization prohibits it. For example, the associates of many government entities around the world are prohibited from accepting gifts.



### **(e) Investments**

Directors and Senior Management personnel may not allow their investments to influence, or appear to influence, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if a Director or Senior Manager has a significant investment in a competitor, supplier, customer, or distributor and his decisions may have a business impact on this outside party.

### **(f) Diversion of Business**

Directors and Senior Management personnel shall not divert business opportunities of the Company, by exploiting for their own personal gain. However the Directors and Senior Management personnel can pursue such business opportunities once they are fully disclosed to the company and the company declines to pursue such opportunities. (g). Use of Company's assets: The assets of the Company shall be used for legitimate business purposes and shall not be used for personal purposes. Incidental personal use, if reasonable, does not amount to violation of the code.

## **6. CONFIDENTIALITY**

Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company.

The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Director or Senior Management or anyone other than the Company.

Confidential information includes any information relating to the Company's business, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/ Senior Management has access or they possesses such information because of their position in the Company.

## **7. DISCLOSURE OF INTEREST**

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporate in compliance with applicable laws.

The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.



## **8. DECLARATION FOR COMPLIANCE WITH THE CODE**

The Company Secretary shall act as compliance officer for the purpose of the Code, who shall be available to Directors and Senior Management Personnel to help them to comply with the code.

The annual report of the Company shall carry a declaration signed by the CEO or Managing Director of the Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

## **9. COMMUNICATION OF VIOLATIONS**

Directors shall communicate any suspected violations of this code promptly to the Chairman of the Audit Committee. Senior Management should communicate any suspected violation of this code to the Managing Director who shall communicate it to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the code.

## **10. DUTIES OF INDEPENDENT DIRECTOR**

The Code is a guide to professional conduct for Independent Director. Adherence to these standards by Independent Directors and fulfillment 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 Director.

### **The Independent Directors shall:**

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;



- 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;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy; and
- acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.

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