



## **GYSCOAL ALLOYS LIMITED**

### **Code of Conduct and Ethics**

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#### **1. Introduction**

This Code of Conduct and Ethics is made pursuant to Clause 49 (Corporate Governance) of the Listing Agreement with Stock Exchanges and shall hereinafter be known as “the Code”. The Code will become effective from the date it is approved and adopted by the Board of Directors of the Company.

The objective of the Code is to promote and uphold the high standards of ethics observed by the Company in conducting its business. The Code lays down a broad policy for one's conduct in dealing with the Company, fellow directors and employees and the external environment in which the Company operates.

All concerned are expected to read and understand the Code, uphold the standards prescribed therein in letter and spirit and to act within the



bounds of the authority conferred upon them with duty to make and enact informed decisions and policies which result in enhancement of the value of the Company to its shareholders and simultaneously enable the Company to fulfill its obligations to other stake holders such as customers, employees and financiers and to the society in general.

## 2. **Philosophy**

Corporate Governance is based on the principal of truth, transparency, accountability, equity and responsibility in all our dealings with our employees, shareholders, customers, suppliers, government, lenders and community at large. The Company believes that better corporate governance can be achieved through increased transparency in its operations and has taken and will continue to take various measures towards achievement of good corporate governance. It is a tool to judge and evaluate the standards and ethics of Corporate Management.

## 3. **Definitions**

The definitions of some of the key terms used in this Code are given below:

- a) “Director” Means any Executive, Non- Executive, Nominee or Alternate Director of the company
- b) “Employee” means any employee or officer of the company
- c) “Relative” means ‘relative’ as defined under Section 2(41) and Section 6 read with schedule 1A of the Companies Act, 1956
- d) “Senior Management” means personnel of the Company who are members of its core Management team excluding the Board of Directors and shall include all personnel above the level of General Manager and all functional heads.

## 3. **Applicability**

This Code is applicable to the following:

- a) all Employees of the Company including Senior Management and
- b) all Directors of the Company.

## 4. **Honest and Ethical Conduct**

The Directors and senior management personnel are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working for the Company.



## 6. **Conflicts of Interest**

Each of us has a responsibility to the Company, its shareholders and towards each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where conflict of interest might occur or appear to occur.

A “conflict of interest” occurs when an individual’s private interest interferes or appears to interfere with the interests of the Company. The Directors and senior management personnel must act at all times in the Company’s best interests conflict or appear to conflict with the interest of the Company. The personal interests will include those of their close relatives. Any Director or senior management personnel, who is aware of a conflict of interest or is concerned that a conflict might develop, is required to disclose the matter promptly to the Board of Directors in case of a Director and to the Chairperson or Managing Director in case of senior management personnel.

The Directors and senior management personnel shall not engage in any activity or enter into any relationship, which might result in conflict of interest, either directly or indirectly. An illustrations only and not being exhaustive, some of the common instances of conflict of interest which should be avoided are given below:

### Relationship of Company with third parties:

- a) None shall receive a personal benefit from a person or any entity which is seeking to do business or does business with the Company. They shall not participate in any decision making process of the Board involving another entity/person in which they have direct or indirect interest.

### Compensation from non-company Sources.

- b) None shall receive remuneration, in any form, for service rendered for the Company from any source other than the Company.

## 7. **Confidential Information**

- Confidentiality of information must be maintained by all the Directors and Employees of the Company.
  - Any information concerning the Company’s business, its customers, suppliers etc. which has been received or to which one has access during the course of employment or dealing with the Company shall be considered as confidential unless such information is publicly available. Such information must be held



in confidence and used only for the purposes of the business of the Company and not disclosed otherwise unless authorised to do so or required to do so under law.

- This obligation continues for three years even after one leaves or disassociates himself from the Company.
- The senior management personnel shall not make announcements and/or disclose any news/information about the Company's policies/business plans/any other sensitive issues directly to the public or through the media unless the same has been made public by informing the Stock Exchanges about the same by the Company through the office of the Company Secretary/Chief Financial Officer.

#### **8. Compliance with Laws, Rules and Regulations**

The Company is committed to high standards of corporate governance and believes in compliance of all the laws, rules and regulations and other legal requirements directly or indirectly, effecting or concerning the Company and or required to be observed in connection with the business and affairs of the Company. The Company has endeavoured in setting standards for itself, which are ahead of time and higher than those stipulated by law. All concerned are required to comply with the applicable laws, rules and regulations both in letter and spirit.

The Code is in addition to and not in derogation with any Act, law, rules and regulations, and all other applicable policies and procedures adopted by the Company that governs the conduct of its Officers.

#### **9. Corporate Business Opportunity**

The Directors and Employees of the Company shall not pre-empt or seize a Corporate Business Opportunity unless the Board of Directors determine that the Company has no actual or expected interest in the said opportunity

#### **10. Prohibition of Insider Trading**

A Director or the Employee and their relatives shall not derive any benefits or assist others to derive any benefit from the access to and possession of information about the company, which is non-public information. They should also comply with the SEBI (Prohibition of



Insider Trading) Regulation, 1992 as also other regulations as may become applicable to them from time to time.

**11. Customers, Suppliers and Stake holders**

The Company is committed to create value for each of its stakeholders. The Directors and Employees shall treat the Company's customers, suppliers and stakeholders with respect and dignity. There should not be any coercive measures used while dealing with any of the stakeholders.

**12. Protection and proper use of Company Assets**

Protecting the assets of the Company is a key responsibility of every employee. The Directors and senior management personnel must safeguard and protect the assets of the Company against misappropriation, loss, damage and ensure their efficient use. They must ensure that assets are not put into use, sold, loaned or dealt with in any other manner without appropriate authorisation. All Company assets should be accounted for and used only for legitimate business purposes of the Company.

**13. Gifts and Donations**

Though business gifts and donations are customary in many parts of the world they need to be viewed with caution. No Director or senior management personnel shall receive or offer, directly or indirectly, any gifts, donation or benefits which are intended or perceived to be intended to obtain unethical favour. Nominal gifts of commemorative nature for special events may be accepted.

**14. Corporate Social Responsibility**

The Company is committed to serve the community around its area of operations. The Company believes that no organization can survive in isolation and it has a responsibility towards public at large. The Company aims to reach out to the neighboring villages, conserve the environment and nurture young people. The Company shall take requisite community development initiatives around the areas of its operations.



## **15. Safety, Health and Environment**

The Company's vision envisages no compromise in its commitment to safety, health and responsible care for the environment. Health and safety of the people in and around its area of operations are of paramount importance to the Company.

The Company is committed to environment protection, pollution control and maintenance of ecological balance. The Company shall maintain high standards of pollution control, environment protection and safety.

## **16. Fair treatment of Employees, Working Environment and Child Labour.**

The Company is committed to recruiting, employing and promoting employees on the sole basis of the qualifications and the abilities needed for the work to be performed without regard to age, sex, caste, national origin or any other non relevant category.

The Company is further committed to provide free working environment which will restrict unlawful harassment including sexual harassment and harassment based on age, national origin, caste, medical condition etc. Where the employee has been unlawfully harassed, he/she should file a complaint to the Senior Management of the Company.

## **17. Responsibility**

Each Director and Employee of the Company will be responsible for the observance of this Code of Conduct in both letter and spirit to the extent relevant and applicable to them. Non-Compliance may be subject to disciplinary actions including termination.

Any questions about this Code of Conduct should be referred to one's immediate supervisor or to the Company Secretary of the Company.

## **18. Annual Confirmation**

The Directors and senior management personnel shall affirm in writing compliance with the Code on an annual basis to the Company Secretary of the Company.

The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director of the Company



## **19. Waiver**

As a general practice, the Board of Directors of the Company will not grant waiver to this Code of Conduct. However, in extraordinary situation and for reasons recorded in writing the Board of Directors of the Company may grant waiver to any person from any one or more of the provisions of this Code of Conduct

## **20. Implementation, Review, Amendment & Modification.**

The Board of Directors have, at its meeting held on 1<sup>st</sup> December, 2009 approved and adopted this Code. The Board makes the code effective from 1<sup>st</sup> January, 2010.

This code of Conduct may be reviewed, amended, modified or waived by the Company's Board of Directors as and when required or deemed necessary.

## **21. Outsider's Recourse**

No outsiders will have any right or recourse to any action or claim of whatsoever nature against any of the Directors or employees for the non compliance of this Code of Conduct.

**By the Order of the Board**

**For, GYSCOAL ALLOYS LTD.**

**Viral Shah**  
**(Managing Director)**

**Date: 1/12/2009**  
**Place: Ahmedabad**