



SRF LIMITED

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT PERSONNEL

The purpose of this Code of Conduct (or “Code”) is to lay down the key principles, rules and guidelines for the Directors and Senior Management to be followed in the course of conducting the business of and in discharging fiduciary obligations towards SRF (or “the Company”).

This Code shall come into force with immediate effect. Each Director/Officer (as defined below) shall be duty-bound to follow the provisions of this Code in letter and spirit.

I. APPLICABILITY

This Code applies to all the members of the Board of Directors of the Company (or the “**Directors**”) and the members of Central Leadership Team (or the “**Officers**”)

II. HONEST AND ETHICAL CONDUCT

All the Directors/Officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company’s premises, at offsite locations, at Company’s sponsored business and social events, and/or at any other place where the Directors/Officers represent the Company.

We consider honest conduct to be conduct that is free from fraud and/or deception.

We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest as specified in Section III below between personal and professional relationships.

III. PRINCIPLES AND VALUES FOLLOWED BY COMPANY

The Directors and Officers shall adhere to the Principles and Values adopted by Company. Few of them are enumerated below:

A. Financial Reporting And Records

The Company prepares and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the Country.

Internal accounting and audit procedures shall fairly and accurately reflect all the Company's business transactions and disposition of assets. All required information shall be accessible to auditors of the Company and other authorised parties and government agencies. There shall be



neither any willful omissions of any transactions from the books and records, nor any entities that knowingly and willfully misstate the financial position of the Company.

Apart from inviting appropriate civil or criminal action under the relevant laws, any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.

B. Discrimination And Harassment

The Company is committed to providing a workplace free of discrimination and harassment based on race, color, religion, age, gender, national origin, disability, veteran status, or any other biases. It will be the endeavour of every Director and Officer of the Company to see that work place is free from such bias.

C. Safety, Health, and Environment

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in.

The Company shall be committed to prevent the wasteful use of natural resources and, wherever possible, minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

D. Disclosures

The Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that Company file with, or submit to, the stock exchange, SEBI and/or any other government agency and in all other public communications made by the Company. The Company's management has the general responsibility for preparing such filings and communications and shall ensure that the same shall conform to all applicable laws and regulations.

IV. CONFLICTS OF INTEREST

The Directors/Officers of the Company shall avoid conflicts of interest with the Company and in case there is or may be such a conflict, it shall be promptly disclosed. A conflict of interest exists where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company. For e.g.:



A. Employment / Outside Employment:-

In consideration of employment with the Company, the Executive Directors and Officers are expected to devote their full and undivided attention to the business interests of the Company. Hence, the Executive Directors and Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or otherwise in conflict with or prejudicial to the Company like simultaneous engagement/ employment or directorship with competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position.

Each Executive Director and Officer shall inform the Board of any change in events/circumstances/ conditions that may interfere with their ability to perform their duties. Additionally, they must disclose to the Company's Board of Directors, any interest that they have that may conflict with the business of the Company.

B. Outside Directorships:

It is a conflict of interest to serve as a Director of any Company that competes directly with the Company. Directors/Officers must first obtain approval from the Company's Board of Directors before accepting such Directorship. Further each Director/Officer shall inform the Board of any changes in their Board positions, relationship with other businesses and charitable organisations.

C. Business Interests:

If any Director/Officer is considering investment in the business of any competitor of the Company, he or she must first take care to ensure that these investments do not compromise their responsibilities towards the Company. Before making investment in the business of the Competitor, the Director/Officer shall take permission from the Board of Directors of the Company.

Directors/Officers should taken prior approval form the Board of Directors for making any such investment except investment in a listed company through stock exchanges not exceeding two percent of the capital of that company.

D. Related parties:

As a general rule, Director/Officers, before conducting Company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same. Relatives include spouse, siblings, sibling's spouse, children, children's spouse, parents, grandparents, grandchildren and step relationships.



E. Payments or gifts from others:

Under no circumstances shall any Director/Officer accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc. of the Company, that is perceived and/or intended, directly or indirectly, to influence any business decision, of the Company, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud.

F. Corporate opportunities:

Directors/Officers shall not exploit for their own personal gain, opportunities that are discovered through the use of Company property, information or position, unless the opportunity is first disclosed in writing to the Company's Board of Directors.

G. Other situations:

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Directors/Officers must consult the Company's Chairman and/ or the Board of Directors.

V. PROPER USE OF COMPANY ASSETS

The Company's assets should be used only for the legitimate business purposes of the Company.

VI. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS

Directors/Officers are expected to comply with all applicable governmental laws, rules and regulations.

VII. SECURITIES TRANSACTIONS AND CONFIDENTIAL INFORMATION

The Directors and Officers shall comply with the provisions of Code for Prevention of Insider Trading framed by the Company.

Directors/ Officers and their immediate family members shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constitutes insider information.

A Director/ Officer shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the



securities of the Company on which such insider information has been obtained.

Such insider information may include the following:

- acquisition and divestiture of businesses or business units
- financial information such as profits, earnings and dividends
- announcement of new product introductions or developments
- asset revaluations
- investment decisions/plans
- restructuring plans
- major supply and delivery agreements
- raising finances

VIII. CONFIDENTIAL INFORMATION

Directors/Officers are required to maintain the confidentiality of all confidential information that they receive or become privy to in connection with the Company's business, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors or harm the Company, its suppliers or its advertisers, if disclosed e.g. information about Patents, R & D, Processes, Commercial dealings etc.

Confidential information also includes any information relating to the Company's business and affairs that results in or would reasonably be expected to result in a significant change in the market value of the Company's securities or any information a reasonable investor would consider important in making an investment decision. Directors/Officers must not use confidential information for their own advantage or profit directly or indirectly.

IX VIOLATIONS OF THE CODE

Penalty for breach of this Code by Officers shall be determined by the Chairman. In case of breach of this code by the Directors, including the Chairman of the Board, the same shall be examined by the Board with the concerned member recusing from the proceedings.

Penalty for violation may include disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

Directors/Officers must co-operate in any internal or external investigations of



possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is to be avoided.

XI. ENFORCEMENT OF CODE OF CONDUCT

Directors and Officers shall be accountable for fully complying with this code and shall give a disclosure to the Board on the annual basis to the effect that they have complied with the provisions of the Code. Any material violation of the Code that is reported/ noticed shall be placed before the Board.

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

XII. WAIVERS AND AMENDMENTS OF THE CODE

The Code is subject to modification and review at regular intervals by the Board of Directors and any amendment or waiver of any provision of this Code has to be approved by the Board of Directors.

XIII. NO RIGHTS CREATED

This Code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors and Officers of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.

Approved by the Board of Directors at its meeting held on 27th October, 2005.