



**Corporate Governance
CODE OF CONDUCT AND ETHICS
FOR DIRECTORS AND SENIOR MANAGEMENT TEAM OF
SAGAR CEMENTS LIMITED**

INTRODUCTION

Sagar Cements being committed to be a good corporate citizen conducts its business as per the applicable laws, rules, regulations and statutory guidelines as are in force and with highest standards of business ethics.

It is expected of the Directors and Senior Management Team of the Company to comply with applicable laws, rules, regulations and guidelines while discharging their respective roles and to promote honesty in the process apart from abiding themselves by the policies and procedures laid down for the conduct of the business. The accounts of the Company will be maintained in a fair and accurate manner in accordance with the relevant accounting and financial reporting standards.

CONFLICTS OF INTEREST

A conflict situation is deemed to arise directly or indirectly when:

- a. It is difficult to exercise an independent judgment of the company's interest;
- b. A Director or a member of the Senior Management Team accepts any personal benefits or gifts or entertainment beyond the customary level either by himself or through his family as a result of his position in the company from any person / company with which the company may have business dealings;
- c. A Director or a member of the Senior Management Team engages in any other business activity that detracts his ability to devote appropriate time and attention to his responsibilities to the company;
- d. There exists a significant ownership interest with any supplier, customer or competitor of the company
- e. There is any employment relationship between a Director or a member of the Senior Management Team with any supplier, customer, business associate or competitor of the company

While it is expected of a member of the Board and the Senior Management Team to avoid generally the situations where the 'conflicts of interest' can be deemed to exist, in case of unavoidable conflict of interest, he should disclose all facts and circumstances thereof to the Board of Directors or any officer nominated for this purpose by the Board and a prior written approval should be obtained.

FINANCIAL REPORTING AND RECORDS



As the professional and ethical conduct in the matter of financial affairs is essential for the proper functioning of the company, the officers and employees engaged in the finance functions should act with honesty and integrity. The persons in-charge of finance and accounting function should prepare and maintain company's accounts fairly and accurately in accordance with generally accepted guidelines, principles, standards, laws and regulations applicable to the company. Internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. There shall be no willful omissions of the company transactions from the books and records. Any willful material misrepresentation or misinformation on the financial accounts and reports shall be regarded as a violation of this code.

PROTECTING COMPANY ASSETS

The assets of the company should not be misused but employed only for the purpose of conducting the business for which they are authorised. All Directors and members of the Senior Management Team should strive to protect company's assets and property and ensure efficient use of them.

PROMOTING INTEREST OF THE COMPANY

Directors and Senior Management Team owe a duty to the company to promote its legitimate interests when the opportunity to do so arises. They should not use company's property, information or position for personal gains. All Directors and Senior Management Team of the company must strive to perform their best at all times.

INTEGRITY AND HONESTY

The Directors and Senior Management Team shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. They shall act and conduct free from fraud and deception. Their conduct shall conform to the professional standards of conduct.

FAIR DEAL

Each Director and the member of Senior Management Team should deal fairly with customers, suppliers and competitors. He 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 practices.

HEALTH, SAFETY, ENVIRONMENT AND SOCIAL RESPONSIBILITY

Sagar Cements Limited shall strive to provide a safe and healthy working environment and comply with all regulations regarding the preservation of the environment in and around its manufacturing facilities and other points of operations. The company is committed to efficient 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.

CONFIDENTIALITY



The Directors and the Senior Management Team shall maintain utmost confidentiality of information or that of any customer, supplier or business associates of the company to which company has a duty to maintain confidentiality except when disclosure is authorized. The use of confidential information for his own advantage or profit is also prohibited.

COMPLIANCES

The Directors and the Senior Management Team shall comply with all applicable laws, rules and regulations. Transactions relating to sale or purchase of company's equity shares should not be undertaken without complying with the formalities contained in the company's code of internal procedures and conduct for prevention of insider trading. If any Director or Member of the Senior Management Team who knows of or suspects of any violation of applicable laws, rules or regulations or this Code of Conduct, he must immediately report the same to the Board of Directors or any designated person thereof. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The company recognizes that resolving such problems or concerns will advance the overall interests of the company that will help to safeguard the company's assets, financial integrity and reputation.

All Directors and Senior Management Team should adhere to the Code of Conduct and Ethics of the company. Violations of this Code of Ethics will result in disciplinary action, which may even include termination of services of the employee. The Board of Directors or any person designated by the Board for this purpose shall determine appropriate action in response to violations of this Code.