

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

PREAMBLE

This Code of Conduct (“the Code”) shall be called ‘Code of Conduct for Board of Directors and Senior Management of **‘STAR CEMENT LIMITED’** (hereinafter referred to as “the Company”). The Code has been framed in compliance with the regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (“**Listing Regulations**”) which 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.

The term “Senior Management” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. Normally, this would comprise of all members of management one level below the executive directors, including all functional heads. The code of conduct shall be posted on the website of the Company.

All the Board members and senior management personnel shall affirm compliance with the Code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO.

APPLICABILITY

The code shall be applicable to:

- a) All Directors of the Company, whether executive or non-executive including nominee Directors.
- b) All senior Management Executives.
- c) All Executives of the Company, reporting directly to the Chairman/Vice-Chairman/Managing Director and Executive Director.

APPROPRIATE AUTHORITY

For Employees of the Company ‘Appropriate Authority’ shall mean the designated reporting authority of the executive, or the Managing Director/Executive Director of the Company.

THE CODE

All Directors and Senior Management Executives shall undertake to observe the followings:

- 1) Ethical Conduct**
Directors/Senior Management shall deal on the behalf of the Company with professionalism, honesty and integrity.
- 2) Fiduciary duty**
All Directors as well as Senior Management Executives and/or personnel while dealing on behalf of the company will exercise the power conferred upon him / them and fulfill his / their duties honestly and in the best interest of the company.
- 3) Conflict of interest**
The Directors and each Employee of the Company must not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office. They should not engage in a business, commercial relationship or commercial activity with anyone who is a party to transaction(s) with the Company. None of the Directors and/or Senior Management Executive and/or personnel will exploit an opportunity arising while associated with the Company for his personal gain either directly or indirectly.

4) Confidentiality

The Directors and Employees of the Company must maintain confidentiality of the information and shall not use confidential knowledge for their direct or indirect personal advantage or for the advantage of any other entity in which they have a direct or indirect interest. The Company's confidential information includes product information, product plans and list of customers, dealers and Employees and financial information.

5) Ethical Conduct

All Directors/Senior Management Executives shall strive to ensure complete implementation of and adherence to the Code in an utmost professional manner. It shall be the duty of the Company Secretary to bring to the notice of the Directors in advance instances of non-compliance by the Company.

6) Delegation

The Board of Directors shall delegate substantial power of management of the affair of the Company to the Managing Director(s) or any other Director where there is no Managing Director. The Board shall also delegate specific power to various committees formed in accordance with the Companies Act 2013 and the Regulations.

7) Compliance

Every Employees and Directors of the Company should comply with this code. Company's ethical standard shall be built in the time to come. The management assumes a special obligation for their own awareness and effective communication of the code to the employees.

8) Good Governance

- i. The Chairman for the meeting of the Board/Committee and General Meetings would have to ensure, before transacting any business, that meetings are duly convened and held in accordance with the Companies Act, Rules, Regulations, and other applicable guidelines, or any other law for the time being in force and applicable to the Company.
- ii. The Chairman should conduct the proceedings of the meeting and ensure that all items of business as have been set out in the Agenda are transacted in a proper manner. The Chairman should encourage deliberations and active participation of all the Directors present in the meeting.
- iii. A Director who is interested in a particular contract must disclose his interest at the Board Meeting held first after he has become interested and must therefore abstain from participating in that particular business and from voting in the resolution. Where Chairman himself is interested in any item of business, he should entrust the conduct of the proceedings in respect of that item to any other disinterested Director and resume the Chair only after that item of business has been transacted.
- iv. It is duty cast upon the Director to disclose to the company which invites him on the Board the fact of his disqualification, if any, in terms of the provisions contained in the Companies Act. Similarly, it shall be the duty of the Company Secretary to bring to the notice of the Directors in advance instances of non-compliance by the Company which would disqualify a Director from accepting appointment as Director in any other Company. The Independent Directors shall ensure and confirm their fulfilment of 'independence' criterion.
- v. Independent Directors would have to act as "Observers" while attending to meetings between management and shareholders, in order to develop a balanced understanding of

shareholders concerns. However it is the Chairman of the meeting who would ensure that their views are communicated and necessary action, if any, is taken.

9) Equality

The Directors/Executives shall practice a conduct that promotes equality of gender, class, religion, caste and opportunity and should promote the same values and also exercise their duties in a manner that encourages healthy, personal and career growth of the employees of the Company.

10) Transparency

The Directors/Executives would manage the affairs of the Company with better accountability to shareholders and achieve transparency of operations with disclosure of both financial and non-financial data through annual and other periodical reports.

11) Health, Safety & Environment

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

12) Fair dealing

The Directors/Senior Management personnel shall focus on customer/ investor and other stakeholders satisfaction. They shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

13) Insider Trading

Director/Senior Management personnel shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) as amended about the company and therefore constituting insider information. All Directors/Senior Management Personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended and insider trading policy of the Company.

14) Company Facilities

No Director, senior management and employee shall misuse Company facilities except where such facilities have been provided for personal use as per policy of the Company.

15) Gift and Donations

The Company, its Directors and Employees shall neither receive nor offer or make directly/indirectly any illegal payment, gifts, donations or any other benefits which are intended to obtain business or unethical favours. However, the Directors or Employees may receive/ give such nominal gifts which are customary in nature or are associated with festivals.

16) Whistle Blower

The Directors/Executives shall not engage in misinformation, disinformation or personal defamation or victimisation of any employee or stakeholder. The Company may establish a mechanism for employees to report to the management, their concerns about unethical behaviours, actual or suspected fraud or violation of the Code of Conduct. The mechanism would then have to ensure, if such a policy is in vogue, to provide for direct access of such employee(s) to the Chairman of the Audit Committee in exceptional cases which would be determined and laid down by the committee whenever the Company chooses to formulate/is required to formulate Whistle Blower Policy.

17) Sharing of Information

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Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors or the employees have access or which is possessed by the Directors and the employees, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless

- (i) authorised by the Board; or
- (ii) the same is part of the public domain at the time of disclosure; or
- (iii) is required to be disclosed in accordance with applicable laws

18) Duty not to misapply Company's Assets

The use of Company's assets for illegal or non-ethical business purposes shall be strictly prohibited. Protecting the Company's assets regardless of whether the same is tangible or intangible is the responsibility of each Director/Senior Management person.

19. DUTIES OF DIRECTORS:

Without limiting the generality of the duties stated in the Companies Act, 2013, the Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed there under and other applicable laws, the duties of a director are as under:

In terms of Section 166 of the Companies Act, 2013, a director shall:

- 1) act in accordance with the articles of the Company;
- 2) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- 3) exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- 4) not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- 5) not 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 shall be liable to pay an amount equal to that gain to the Company;
- 6) Shall not assign his office and any assignment so made shall be void.

Further in terms of para III (Duties) of Schedule IV of Companies Act, 2013, the Independent Directors shall:

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the Company;
- 6) 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;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

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- 9) 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;
- 10) 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;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 13) 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.

Notwithstanding anything contained in the Companies Act, 2013, an independent director or a nonexecutive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through business processes, and with his consent or connivance or where he had not acted diligently.

20. COMPLIANCE WITH THE CODE OF CONDUCT

The compliance with the Code of Conduct is an obligation. The Directors and the Senior Management are to ensure to comply with the Code and also that it is communicated to and understood and observed by all concerned in the Company.

They shall affirm compliance with the Code, on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO of the Company. The Code shall be posted on the web site of the Company.

The Board has to direct all concerned to bring to its attention, or to that of Senior Management, any breach or suspected breach of the Code through the office of the Company Secretary. The Vigil Mechanism/ Whistle Blower Policy of the Company, wherever applicable, may be invoked.

The compliance with the Code of Conduct has to be subject to the review by the Board and complemented by the Audit Committee of the Board. Any modification/s, amendment/s, or review of the Code shall be done by the Board.

21. REVIEW AND AMENDMENT

This code may be amended, modified, varied or waived by the Board as may be deemed necessary in the interests of the Company and subject to the provisions of applicable laws, regulations or guidelines. As a general policy, the Board will not grant waiver of this code.

22. ANNUAL COMPLIANCE REPORTING

In terms of Regulations 26(3) of the SEBI (LODR) Regulations, 2015 as amended from time to time all Board Members and Senior Management Personnel shall affirm compliance of this code within 15 days of close of every financial year.