

# **HAPPY STEELS LIMITED**

**CODE OF CONDUCT OF BOARD OF DIRECTORS  
AND SENIOR MANAGEMENT PERSONNELS**

## **1. INTRODUCTION:**

Regulation 17(5)(a) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, provides that the board of directors shall lay down a Code of Conduct for all members of Board of Directors and Senior Management.

The purpose of this Code of Conduct (the "**Code**") is to conduct the business of the Company in accordance with the applicable laws, regulations, rules and with the highest standard of ethics and values. The matters covered in this Code are of utmost importance to the Company, shareholders and other stakeholders.

This Code shall come into force with immediate effect. Each and every Director/ Senior Management (as defined herein below) shall be duty-bound to follow the provisions of this Code in letter and spirit. Any instance of non-compliance of any of the provisions shall be a breach of ethical conduct and shall be viewed seriously by the Company.

Accordingly, the Director/Senior Management (as defined herein below) are expected to read and understand this Code and uphold these standards in all their business dealings and activities.

## **2. APPLICABILITY OF THE CODE:**

This Code is applicable to the Board of Directors and Senior Management of the Company. This Code is applicable to the Executive and Non-Executive Directors to the extent of their role and responsibilities in the Company. The Senior Management shall adhere to this Code together with the other policies as framed by the Company from time to time.

It shall be the duty of the Board and Senior Management to adhere with and comply to the applicable laws in letter and spirit. Any violation /suspected violation of the code must be promptly communicated to the compliance officer of the Company which would be taken up in the meetings of the Audit Committee / Board of Directors.

## **3. DEFINITIONS:**

**In this Code, unless the context otherwise requires:**

- 3.1 "**Act**" shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- 3.2 "**Applicable Laws**" shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.
- 3.3 "**Board or Board of Directors**" shall mean all the members of the Board of Directors of the Company.
- 3.4 "**Code**" shall mean this Code of Conduct for Board of Directors and Senior Management of the Company and as may be amended from time to time.
- 3.5 "**Company**" shall mean Happy Steels Limited.
- 3.6 "**SEBI Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars

issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

- 3.7 **"Senior Management"** shall mean officers/personnel of the Company 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 Chief Financial Officer & Company Secretary and all functional heads of the Company.

#### **4. HONEST, INTEGRITY, DUE CARE AND DILIGENCE:**

The Board and Senior Management shall conduct their duties, on behalf of the Company in the best interests of the Company with honest, integrity and fairness. Due care and diligence shall be exercised by the Board and Senior Management in performing their duties of office and powers attached to their office. The Company also respects the competitor's rights with respect to their proprietary information. The Board and Senior Management shall support the development of laws that promote, encourage or result in fair competition.

#### **5. COMPLIANCE WITH LAWS, RULES, REGULATIONS AND POLICIES**

The Board and Senior Management of the Company are required to conduct their business and affairs in fully compliant manner and with necessary transparency and shall encourage and promote such behaviour for themselves, officers and employees across the Company.

They must acquire appropriate knowledge of the legal requirements in performance of their duties and to seek necessary advice from the relevant department. Violations of applicable laws, rules and regulations may subject the Board and Senior Management to criminal or civil liability as well as to disciplinary action that may be taken by the Company.

We will conduct our business as a responsible corporate citizen, and follow the applicable legal framework of the Country/Region in which we operate by the letter of the law and in spirit. The Company expects the Board and Senior Management to function in line with this principle.

Considering that the business of the Company is spread over multiple locations, a common approach towards the compliance for the business operation should be adopted, to the extent possible.

They shall also comply with and adhere to all policies and procedures as framed by the Company from time to time.

#### **6. PROTECTION AND PROPER USE OF COMPANY'S ASSETS**

Directors and members of the Senior Management have a responsibility to safeguard and properly use the Company's assets and resources, as well as assets of other organizations that have been entrusted to the Company. Except as specifically authorized, Company assets, including Company equipment, materials, resources and proprietary information, must be used for the Company's business purposes only.



## **7. CORPORATE OPPORTUNITIES**

A corporate business opportunity is an opportunity (1) in the Company's line of business or proposed expansion or diversification, (2) which the Company is financially able to undertake and (3) which may be of interest to the Company.

A Director or member of Senior Management of the Company, who learns of such a corporate business opportunity and who wishes to participate in it should disclose the opportunity to the Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in the opportunity, then, and only then, may the Director or member of Senior Management of the Company participate in it, provided that the Director/member of Senior Management of the Company has not wrongfully utilized the Company's resources in order to acquire the opportunity.

Directors/members of Senior Management of the Company owe a duty to the Company to advance the Company's interests when the opportunity to do so arises. Directors/members of Senior Management of the Company may not: (a) take for themselves opportunities that are discovered through the use of Company property or information or through the Director's position; or (b) compete with the Company, directly or indirectly, for business opportunities that the Company is pursuing.

## **8. COMPETITION AND FAIR DEALING**

The Board and Senior Management of the Company should not take unfair advantage of anyone through manipulation, concealment, misrepresentation of material facts or any other unfair trade practices. They should ensure that dealings with stakeholders is done in a fair and transparent manner.

The Company will use its resources, knowledge and expertise to its competitive advantage, but we will avoid undermining the operation of free markets. We respect the rights of others to carry on their business. We will also avoid putting undue pressure on customers in ways that may reduce or remove their ability to choose between services of competitors. We shall support the development of laws that promote, encourage or results in fair competition.

## **9. INSIDER TRADING:**

The Board and Senior Management of the Company shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of any price sensitive information, not in public domain. They will comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct of Prevention of Insider Trading of the Company, as amended from time to time.

## **10. CONFIDENTIALITY OF INFORMATION**

The Board and Senior Management of the Company should maintain confidentiality of information they receive and is disclosed only if authorized by the Company or by the person from whom the information is provided or if required by law.

## **11. HEALTH & SAFETY**

The business of the Company shall be carried on in a congenial environment whereby adequate health and adequate safety measures are taken in the workplace of the employees.

The Board and Senior Management of the Company shall ensure that due compliance of all laws and regulations pertaining to health and safety measures is done on a continuous basis.

## **12. BRIBERY / CORRUPTION AND GIFTS**

- 12.1 They shall not, directly or indirectly, offer or receive any facilitation payments or kickbacks of any kind otherwise not permissible under law for the conduct of business of the Company.
- 12.2 They shall not solicit gifts or accept Favors or hospitality, other than in the normal course of business, that might influence or appear to influence his/her independence of judgment or affect his/her decision or action concerning the business of the Company.
- 12.3 While conducting business, they are advised to seek necessary advice for instances they may come across which potentially could be construed as unlawful under the applicable laws.

## **13. CONDUCT RELATING TO CUSTOMERS, EMPLOYEES, STAKEHOLDERS AND OTHERS**

**They shall at all times ensure following conduct while dealing with customers, employees, stakeholders and others:**

### **13.1 Customers:**

The Company's products and services shall be technologically competitive and whilst fulfilling the needs of the customers, shall offer the best possible value to the customers such that the Company becomes the customers' first choice for quality and service. No false or misleading claims shall be made whilst marketing Company's products or services. The service standards of the Company shall be of the highest possible order.

### **13.2 Employees:**

The Company wants to attract, develop and motivate the best people. The Company will create a work environment that is open, honest and unprejudiced and which encourages people to achieve their full potential. The Company values people's individual and team contributions and offer opportunities to share in the Company's commercial success.

The Company recruits, employs and rewards its employees on ability and contribution. The Company will provide opportunities for personal growth and professional development and engage in appropriate communication and consultation with employees.

The Company is an "equal opportunity" organization that prohibits discrimination or harassment based on race, color, religion, national origin, sex, age, sexual orientation, marital status, citizenship status, or disability.

### **13.3 Vendors:**

The Company will value the diversity of its Vendors. The Company will work with them in innovative ways that create added value for its Vendors.

The Company will have a fair procurement process, administering tendering and contracting procedures in good faith.



#### **13.4 Community:**

The Company will contribute to the well-being of the society in which we operate through our business activities and the skills of our people. The Company will maintain the highest level of integrity while respecting local laws, customs and traditions.

#### **14. EVENT BASED DISCLOSURE TO BOARD**

The Board and Senior Management of the Company shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large (for e.g. dealing in company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.)

#### **15. CONFLICT OF INTEREST**

The Board and Senior Management of the Company shall ensure that their personal interest doesn't conflict with the interests of the Company. Any Director or member of Senior Management of the Company involved in any of the types of relationships or situations described in this Code should immediately and fully disclose the relevant circumstances to his or her Supervisor, if any, or any other appropriate supervisor, or the Managing Director and CEO, for a determination about whether a potential or actual conflict exists. If an actual or potential is determined, the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

(i) Employment/ Outside Employment (applicable to our Senior Management only)

In consideration of the employees' employment with the Company, the employees are expected to devote their full attention to the business interests of the Company. Employees are prohibited from engaging in any activity that interferes with the employee's performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting simultaneous employment with any other employer.

Additionally, employees must disclose to the Company any interest that they have and may conflict with the business of the Company. All queries on this will be addressed to the Human Resources department.

(ii) Outside Directorships

It is a conflict of interest to serve as a director of any company that competes with the Company. The Directors of the Company must obtain approval from the Board of Directors before accepting a directorship other than in respect of companies in which a Director of the Company was already a Director of any other company before joining the Board of Directors of the Company. Such approval may be conditioned upon the completion of specified actions.

(iii) Business Interests

If a Director or member of Senior Management of the Company is considering investing in a Company customer, supplier, developer or competitor, you must first take great care to ensure that

these investments do not compromise their responsibilities to the Company. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; Access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

(iv) Related Parties

As a general rule, a Director or member of Senior Management of the Company should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws, or other relatives who are dependent upon them.

Related party transactions of Director or member of Senior Management of the Company must be reviewed and approved in writing in advance by the Company's Board of Directors. The Company must report all such material related party transactions, as required under applicable accounting rules, SEBI, Indian Companies Act, and securities market rules. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

(v) 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 in your mind you should consult the Legal Department or Human Resources Department.

NOTE: IN THE EVENT OF ANY DOUBT PERTAINING TO CONFLICT, PLEASE DISCUSS IT WITH YOUR REPORTING AUTHORITY, IF ANY, TO AGREE ON THE WAY FORWARD

**REPORTING OF UNETHICAL BEHAVIOUR – WHISTLE BLOWER  
/VIGIL MECHANISM**

The Company promotes ethical behaviour in all its business activities. The Company follows the principle of integrity, transparency and trust by encouraging all its employees and stakeholders to whistle blow when they come across genuine concerns in the Company. The Director or member of Senior Management along with employees and any other person dealing with the Company shall be governed by Whistle Blower Policy adopted by the Company as well as applicable laws and regulations with respect to Whistle Blower/Vigil Mechanism.

**16. PERIODIC REVIEW**

This Code is subject to periodic review by the Board of Directors. The Specified Persons shall make a confirmation to the compliance officer of the Company within 30 days from the date of closure of the financial year in the format specified from time to time.

**17. CERTIFICATION OF COMPLIANCE OF CODE OF CONDUCT**

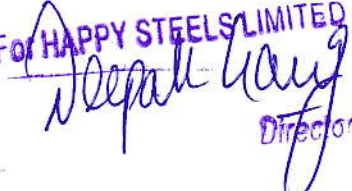
The members of the Board and the Senior Management shall affirm the compliance with the code on annual basis. The Annual Compliance Report shall be forwarded to the Company Secretary of the Company, in the form annexed hereto as Annexure - 1. The Annual Report of the Company




shall carry a declaration to this effect duly signed by the Managing Director or CEO of the company.

#### 18. AMENDMENTS

The Board of Directors of the Company shall review and make alterations to this Code as and when necessary, provided they are not inconsistent with the provisions of applicable laws. In the event of any conflict between the provisions of this Code and SEBI Listing Regulations or any other statutory enactments (as amended from time to time), such amended provisions of SEBI Listing Regulations or any other statutory enactments, shall prevail over this Code.

For HAPPY STEELS LIMITED  
  
Director

For HAPPY STEELS LIMITED  
  
Abhishek Garg  
Managing Director  
DIN-00621845



**Annexure – 1**

**Happy Steels Limited**  
**Code of Conduct for Board Members and Senior Management**  
**Personnel Annual Compliance Report**

To,  
The Company Secretary,  
Happy Steels Limited  
Address: Village Jaspal Bangar,  
Kanganwal Road, Ludhiana, Punjab-141122

I, ..... hereby confirm that I have read the  
Code of Conduct applicable to Directors and Senior Management of the Company and that I have  
complied with the requirements of the same during the period..... to .....

Signature: .....  
Name: .....  
Designation: .....

Date: .....  
Place: .....