

BALRAMPUR CHINI MILLS LIMITED

BCML CODE OF CONDUCT AND BUSINESS ETHICS

APPLICABLE FROM 01-04-2016

1. OBJECTIVE OF THIS DOCUMENT & DEFINITION

- 1.1 The objective of this document is to communicate the Code of Conduct of the Company to the Directors, Senior Management and the Employees of Balrampur Chini Mills Limited ("the Company"). It is intended to serve as a guideline to their corporate and individual behaviour in the conduct of business and the discharge of their duties. The purpose of the Code is to deter wrongdoing and promote ethical conduct in the Company.
- 1.2 The matters covered in this Code are of the utmost importance to the Company. Further, these are essential so that the Company can conduct its business in accordance with its stated values. Ethical business conduct is critical to every business. The Company is committed to ensure that its business is conducted, in all respects and all the times, according to rigorous ethical, professional and legal standards, which prevail from time to time, in the same industrial sector in which Company conducts its normal business.
- 1.3 The Code is fundamentally a set of principles and values expected to be maintained by the Company and its Directors and Employees. This Code helps maintain the standard of business conduct of the Company.

Accordingly, directors and employees of the Company are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with all applicable laws; rules and regulations and all applicable policies and procedures adopted by the Company that govern the conduct of its employees.

2. APPLICABILITY

- 2.1 The Code has been divided into four sections, namely Section I, II, III and IV.

Section I is applicable to all employees of the Company (full-time or part-time employment with the Company) and also to those on probation, training, retainership, temporary or contractual appointment, across all units and offices of the Company.

Section II shall apply to Senior Management of the Company across all units and offices. Senior Management employees being in whole-time employment with the Company shall additionally comply with Section I of this Code.

Section III shall apply to the executive directors of the Company, irrespective of their designation. An executive director being in whole-time employment with the Company shall additionally comply with Section I and II of this Code.

Section IV shall be applicable to the Independent Directors of the Company, including non-executive non-independent directors. Further, the Independent Directors / Non-executive directors shall comply with the provisions under Section I to III of this Code to the extent applicable to them.

- 2.2 Whenever any aspect of this Code is also covered under any Act or Law, the more stringent of the respective provisions shall apply unless the law expressly forbids it. If any Act or Law covers any aspect but this Code is silent on the same, the provisions of the Act or Law shall apply. In case of contradiction with any law, this Code shall stand modified to the extent it is contrary to such law.

- 2.3 The Board of Directors of the Company shall be the final internal authority as far as any interpretation of the Code or its applicability/violation and consequential actions are concerned.
- 2.4 The Code may be expanded and/or improved upon from time to time.
- 2.5 The expression “senior management” means personnel of the Company who are members of the core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 2.6 Throughout the Code whenever relatives and/or associates are referred to, they shall include relatives and/or associates as understood under socially accepted norms whether or not they are within the definitions under any law.
- 2.7 Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

3. VIOLATIONS

All directors and employees should help enforce this Code. Directors and employees should be alert to possible violations and report any possible / actual violation to the Managing Director / Chief Financial Officer / Company Secretary / Chairman of the Audit Committee. Directors and employees must cooperate 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 prohibited.

Section I (Applicable to all employees)

[#Except at Head Office, Clause 5.4, 5.5 and 18 shall not be applicable to those employees who are covered under any statute or are drawing salary not exceeding Rs. 15,000 per month]

4. NATIONAL INTEREST

- 4.1 It shall be the silent endeavour of the employees of the Company that the activities of the Company ultimately add to the economic development of the Country and further national interest.
- The Functioning of the Company shall be within the framework of the economic, development and legal policies of the Government of India.
 - Tasks, debates or conversations shall not be undertaken or participated that can reflect unfavourably on the dignity of our nation or go against its interests.

5. OPEN WORK ENVIRONMENT

- 5.1 Everybody shall respect each other’s individual rights and dignity.
- 5.2 Every attempt shall be made to provide an open and motivating work environment, which is conducive to upholding and achieving the Company’s Goals and Vision.
- 5.3 No discrimination shall take place on grounds of race, caste, religion, ethnic background, marital status or gender.
- 5.4# Entry into and progression within, the Company shall be determined on merit and the needs of the business.

- There shall be commitment to the principles of proper, fair and transparent development and evaluation processes.
 - All shall be encouraged to grow professionally.
- 5.5# All appointments or extensions, dismissals, increments or promotions (including the making of any promise such towards appointment, extension, increment or promotion) shall be done only by following the internal procedures of the Company.
- Promotions and/or increments shall not be automatic or time bound but performance and merit based.

6. ETHICS & STANDARDS OF BEHAVIOUR

- 6.1 It is expected that business of the Company shall be carried on fundamentally in a manner that safeguards the interest of shareholders (besides other stakeholders), and enhances shareholders' value. It shall be recognized and acted upon on the basis of the conviction that these fundamentals are best achieved through a combination of efficient and productive operations and through integrity and customer satisfaction.
- 6.2 Great significance and value shall be attached to the Company's commitments, both internal and external, and every possible effort shall be made to achieve them and adhere to them.
- 6.3 It is recognized that continued success depends centrally on value that can be created for the Company's shareholders and customers.
- 6.4 The employees of the Company are expected to uphold professionalism and competence, integrity and honesty, trust and fairness, discipline and teamwork, as well as truthfulness and high moral standards in their day-to-day dealings and conduct, both within the Company and outside.
- All employees of the Company shall conduct themselves in a way that upholds and enhances the image of their position and that of the Company. They shall not undertake or participate in any task, debate or conversation that can reflect unfavourably on their own or the Company's dignity or go against the Company's interests.
- 6.5 Except in accordance with applicable laws, Speculation and/or regular trading in the Company's shares or any commodity manufactured by the Company by any employee shall be unacceptable.
- 6.6 Accountability shall be encouraged and enforced consistently across all levels and functions. Responsibility would be taken for actions and mistakes would be admitted to.
- It is made clear that the term "accountability" does not confine itself to faults or failures; the term applies equally to achievements and strengths. (The Oxford defines "accountable" to mean, "responsible; required to account for one's conduct or actions").
- 6.7 Pride of place shall be given to the best of social, cultural and intellectual values, in behaviour and conduct.
- 6.8 Pride of place shall be given to truthfulness in conduct and dealings.
- Misrepresentation, manipulation or misinformation in respect of business, commercial or financial data, information or operating reports shall be a violation of integrity as well as the Code.

- 6.9 Use of Company's asset by any employee, does not confer any right, nor creates a lien on the asset, in favour of the user at any time.

7. QUALITY OF GOODS, SERVICES AND DEALINGS

- 7.1 The Company is committed to building and maintaining long term and mutually beneficial relations with all customers and stakeholders, by consistently providing high quality goods and services, through equitable conduct and by the upholding of values of commitments.
- 7.2 Due courtesy, consideration and promptness shall be ensured and exercised in communication and inter-personal dealings particularly with customers and generally with all other stakeholders including but not limited to suppliers, agents, dealers, financial bodies, banks and shareholders or depositors.
- 7.3 There shall be a consistent effort to exhibit high professional, fair and courteous values in dealings and behaviour with third parties.
- 7.4 Due courtesy, consideration and promptness shall be ensured and exercised in communication and inter-personal dealings equally with peers and colleagues within the Company.

8. INSIDER TRADING

No form of insider trading shall be indulged in, whether direct or indirect, including in shares or commodities, or assist any outsider to derive advantage from information not in the public domain and shall abide by the Code of Conduct to regulate, monitor and report trading by its employees and other connected persons.

9. COMMITMENT TO EMPLOYER

- 9.1 All employees are expected to devote fullest energy and due attention to the business of the Company.
- Any other employment or direct interest in any business, (including as partners) in one's own spouse's or any dependant's name, is prohibited.
 - Any such interest or any interest or involvement in promoting any third party's business interest must be disclosed to the management in writing. Commencement or continuation of such interest constitutes a conflict of interest as detailed herein, and can only be dealt with accordingly.
- 9.2 Any employee of the Company joining or assuming responsibility at any professional, trade, legislative, political or public body, including as an office bearer, can do so only upon prior approval by the management, where there is a conflict of interest, which may or may not be granted.
- 9.3 Publicity with an objective of personal portrayal shall be avoided. Where any employee writes to/in any media or appears on any media or in any public debate in his personal capacity, he shall clearly state that the views expressed are his own and not of the Company.

10. INTERACTION WITH MEDIA

The Key Managerial Personnel of the Company (Managing Director, CFO and Company Secretary) of the Company or any other executive authorized by the KMP is the only spokesperson who would interact with the media - press, radio, TV, online and social media. No other employee of the Company will make any statement in the media - press/radio/TV/online/Social media in relation to the Company. No employee of the

Company can criticize the Company in any media - press/radio/TV/online/social media.

11. RELATIVES AND ASSOCIATES

11.1 If and when an employee of the Company suggests or refers a candidate for employment with the Company or a party for transacting any business with Company, he must make it unambiguous if (and how) the candidate/party is in any way related or associated with him personally or professionally.

- An Officer empowered to appoint persons or transact business or in a position to influence such decision on behalf of the Company shall not appoint such candidates or commit any transactions on behalf of the Company with them if the candidate/party is in any way related or associated with him personally or professionally.

12. CONFLICT OF INTEREST

12.1 Conflict of Interest is a wide term (implying wider definition and implication commensurate with seniority of the officer) which calls for examples rather than definition.

12.2 For purposes of a limited illustration only, Conflict of Interest can be said to have arisen or exist between an employee and the Company in circumstances when:

- there is a harm or financial loss to the Company due to any act, including obvious negligence or willful neglect of duty non co-operation, of the employee directly or through a third party or his abetting such action by another employee;
- any information (including, but not limited to competitive information) considered prejudicial to the Company's interest is disclosed to any third party by the employee so as to expose such interest to risk;
- the employee directly or indirectly enters into any form of relationship or association (with or without financial benefits or remuneration) with a direct competitor of the Company or a supplier or sub-contractor to the Company;
- the employee abets any efforts of any third party to influence or effect supplies or services, either directly or indirectly, to the Company at prejudiced terms or terms other than at arms length;
- the employee or his relative/associate operates or commences/ proposes to operate a business in direct conflict/competition with the business of the Company;
- the employee undertakes any business or professional activity in contravention of the guidelines herein, while in the employment of the Company;
- the employee utilizes the Company's resources, financial or otherwise, to support his own financial or business interest (or of his relative /associate) or helps promote financial or business interest of any other employee;
- the employee is formally charged or held guilty at any time by a relevant competent or judicial authority for a serious misdemeanor (such as any criminal offence or morale turpitude, etc.).

12.3 Every employee shall take all care to ensure that there does not arise a Conflict of Interest between him and the Company. It is clarified that if the Management is satisfied that there exists a Conflict of Interest, then the same shall be said and deemed to exist.

- The first remedy if a Conflict of Interest arises, or exists historically, is to bring it to the notice of the Management. An attempt may be made by the Management at its discretion to see if the Conflict of Interest can be remedied and ended. If such attempt is decided against or the conflict cannot be remedied and ended, the Management shall be entitled at its sole discretion to decide if the services of those concerned should continue or not. In the latter event an opportunity shall be given to the concerned to resign; otherwise the services may be terminated.
- If a conflict of interest continues without appropriate disclosure or by way of willful suppression of facts but becomes known to the Management it may, as its sole discretion, terminate the services of the employee concerned.
- In any event, if any harm or financial loss to the Company has arisen as result of a Conflict of Interest, the Company shall proceed legally against the concerned persons.

12.4 It is expressly prohibited for any employee to directly or indirectly :

- Solicit or accept any gratification, in cash or in kind, from any person/party dealing with or seeking to deal with the Company or from another employee. If any inducement is offered to any employee he must immediately bring this to the notice of his unit head. (It is permissible to accept/give gifts of nominal value, customarily given on special festivals or occasions).
- Confer any benefit prejudicial to the company's interest to any party under influence of gratification or promise thereof or in violation of commercial or administrative prudence.
- Hold or be interested any place of wrongful personal gain vis-à-vis the Company.
- Commit theft in any manner.

It is made clear and unambiguous that any of these acts are contrary to the fundamental spirit of the company and cannot be condoned or disregarded. If the Management is satisfied about the violation of any of the above, termination of services as well as possible legal action for recovery of gains or advantages wrongfully obtained, shall result.

13. INFORMATION TECHNOLOGY

13.1 The Company encourages IT friendliness. It is committed to make extensive use of computers, modern data processing, and office automation and communication system, as may be practically possible. These shall be used to improve productivity, response time, information integrity, quality and presentation of documents and information.

13.2 Use of Information Technology will be within the principled boundaries.

- All users shall take due care to ensure security and safety of data, and to follow customarily accepted norms of usage for hardware and software. Only permitted software can be loaded on to company machines, and only by appropriate persons.
- The use of pirated/illegal software, or software or other materials that are prohibited or offend norms of social decency shall not be supported. Employees shall not on any account engage in casual browsing or surfing or chatting on any network at the workplace nor download software or material which are prohibited or offend norms of social decency.

- If an employee hosts a web site or web page on the Internet or posts data or information in any form of multimedia or software which have no relation with the Company, then he shall refrain from using the name of the Company therein.
- Any Employee in possession of the Company's access passwords for the Internet or internal network shall use these solely for the purposes intended and shall not disclose the same to any unauthorized person nor to any person who may misuse the same, nor shall they use access passwords belonging to any other person.
- No employee shall commit the Company to any financial liability or legal obligation through any Internet site or permit or transact financial payments over the Internet, unless expressly authorized to do so by the Board of Directors / Executive Committee.
- No employee shall undertake or abet any non-ethical computing activity, including making or distributing of copies of legal software or designing, transmitting, distributing or implanting any form of virus. "Hacking" or any other such unacceptable activity whether over internal or external networks is strictly forbidden.
- If any employee is formally charged by competent authorities under the appropriate Cyber Laws in force, whether in relation to his personal time or while on duty, the management shall at its sole discretion have the right to suspend him without pay and emoluments or terminate his services.

14. HEALTH, SAFETY AND ENVIRONMENT

- 14.1 The Company shall maintain respect for the environment and shall provide a healthy work environment and shall conform to environmental laws. All shall endeavour to prevent wastage of natural resources in the course of conduct of business.
- 14.2 The Company shall endeavour towards maintaining the industry safety standards.
- 14.3 Steps to promote greater awareness about health care for employees and their families will be endeavoured to be taken. To maintain a healthier work environment all offices (including at units) shall be designed as "non-smoking offices", with suitable polite and visible notices and subtle hints such as absence of ashtrays. (Offices can have designated "smoking area" which must be open to the outside atmosphere and not in an air-conditioned space).
- 14.4 Consumption of alcohol or any other intoxicating substance at the workplace is strictly prohibited.

15. INTRA-GROUP CO-OPERATION

The Company will, when needed, share physical, human and management resources with its group companies.

16. INTELLECTUAL HONESTY

Due acknowledgement and credit shall be given to the colleagues from whom ideas have been borrowed. None should attempt to project another's ideas or efforts as his own.

17. RESPONSIBILITY TOWARDS SOCIETY AT LARGE

The Company shall make efforts to extend support to community welfare, health and education. It is committed to being a good corporate citizen.

18.# COMPETITION LAW AND GOVERNMENT TRANSACTIONS

Realizing and recognizing that competition in markets is benign for 'consumers', 'enterprises' and the 'economy' as a whole, India, in line with the global trend, enacted the Competition Act, 2002 ("**Act**" or "**Competition Laws**") to prohibit anti-competitive agreements/ abuse of dominance and to regulate certain big ticket acquisitions/ mergers/ amalgamations. As of now all the dimensions of the Act are in force. The Competition Commission of India is the primary authority to implement the Act. In view of the foregoing, BCML adopts the following:

1) Corporate Policy

The Company shall:

- 1) comply with the Act/ anti-trust laws and all attendant and applicable laws, rules and regulations wherever it has business;
- 2) prepare and properly implement Competition Laws compliance programs and company rules on marketing activities, including the activities directed towards government agencies, that set out corporate policies and procedures for ensuring compliance with applicable Competition Laws and related regulations; and
- 3) not enter into any agreement or conduct any activity within India or outside which has an Appreciable Adverse Effect on Competition ("**AAEC**") in India or outside which may amount to a *per se* violation under the Competition Laws/ overseas anti-trust laws.

2) Code of conduct for the Employees

All Employees shall *inter-alia*:

- 1) observe the Competition Laws compliance programs and promote free and fair business activities;
- 2) **NOT** Indulge in Abuse of Dominant Position by way of the following:
 - imposing unfair or discriminatory conditions in purchase or sale of goods or services, limit or restrict production of goods or services, restrict technical or scientific development or indulge in exploitive or exclusionary conduct with respect to its customers;
 - enter into any arrangement which leads to 'Predatory pricing'¹ wherein sale of goods or provision of services is made available at a price below the cost, with a view to reduce competition or eliminate the competitors;
 - indulge in practices resulting in denial of market access in any manner;
 - make conclusion of contracts subject to acceptance of supplementary unconnected obligations by other parties;

¹ As per the Explanation to Section 4(2) of the Competition Act, 2002, "predatory price" means the sale of goods or provision of services, at a price which is below the cost, as may be determined by regulations, of production of the goods or provision of services, with a view to reduce competition or eliminate the competitors.

- use its position in one market to enter into or protect another market.
- 3) **NOT** enter into any anti-competitive agreements by way of the following:
- to buy exclusively from one source or to supply exclusively to one customer;
 - enter into any arrangement in the nature of ‘tie-in arrangements’ which includes agreements requiring a purchaser of goods, as a condition of such purchase, to purchase some other goods;
 - require distributors or dealers to agree to or maintain resale prices for any of the Company’s product;
 - refusing to deal with any seller or purchaser;
 - agreements or understandings with competitors relating to pricing (including discussions relating to bids); limiting or controlling production, supply, markets, technical development, investment or provision of services; allocation of markets such as geographic market, product market, customers; bid rigging or collusive bidding.
- 4) not organize or participate in meetings, make pledges or arrangements, or exchange information with competitors or engage in any such activity/activities which may result in suspicion of engaging in the anti-competitive activities;

Please note that for all of the above, the agreement, arrangement, understanding or action need not necessarily be recorded in writing or be formal, but also extends to oral and/or informal agreements.

The penalties for breaching competition laws can be severe, wherein large fines can be imposed on the Company as well as on the individuals in charge of and responsible to the Company, for indulging in any anti-competitive behaviour. Further, in addition to penalty, compensation may be claimed by affected persons from the Company for the losses suffered due to the anti-competitive conduct. Therefore, strict adherence to all Competition Laws is necessary for the entire Company and its employees, directors/ functionaries.

(The Code was originally approved by the Board of Directors of the Company on August 7, 2014 and was subsequently amended by the Board at its meeting held on February 8, 2016)

Section II
(Applicable to Senior Management)

19. DUTIES

The Senior Management shall—

- (a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (b) 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, upon requisite approval from the management.
- (c) keep themselves well informed about the Company and the external environment in which it operates;
- (d) 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;
- (e) report concerns about unethical behaviour, actual or suspected fraud or violation of this code;
- (f) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

20. ETHICS & STANDARDS OF BEHAVIOUR

It is expected that all members of the Senior Management of the Company shall in their personal conduct (whether on duty or not) be law abiding and demonstrate an upright character.

- All members of the Senior Management of the Company share the responsibility for protecting the confidentiality and security of all our proprietary and other technical and business information.
- Personal expenses, whether one's own, his family's or on account of their business interest, shall not be charged or paid for on the Company's account.

Company's Rules and practices, including under the Code or entitlement of perquisites or reimbursement of expenses or otherwise are to enable sincere, honest and diligent discharge of duties and to uphold the Company's interest and integrity and dignity of all and the Company.

- All members of the Senior Management of the Company should, as a philosophy, endeavour to economies on expenses in all areas and avoid any misuse or wasteful expenditure.

21. CORPORATE GOVERNANCE

21.1 The Company is committed to adopting, besides any of its obligations under relevant laws or regulations, the best relevant practices for Corporate Governance.

21.2 Due emphasis shall be laid on the audit/internal audit process, as necessary to safeguard the interests of shareholders. Senior Management of the Company must extend its full co-operation to the Auditors and ensure that all information as may be required by them is made available.

21.3 Senior Management of the Company shall, in his business conduct, comply with all applicable laws and regulations, both in letter and spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of this code of conduct, then the standards of the code shall prevail.

22. INFORMATION & COMMUNICATION

22.1 The Company fully understands the information requirements of its stakeholders. In respect of disclosing business, technical, commercial or proprietary information in the public domain, it shall be represented only by specifically authorized Officers.

22.2 All relevant work-related information shall be fully and timely shared with those concerned, so that all are able to perform their job as best possible and avoid confusion, misunderstanding and distrust.

- Positive and effective communications, both internal and external, are key needs for motivation and success. It is particularly the responsibility of senior officers to ensure that goals, policies, progress and initiatives are communicated appropriately and regularly so that all employees may understand them and relate to them.

22.3 No member of the Senior Management of the Company shall communicate in any matter (except as per any general or special order of the Company or in the performance of duties assigned to him) any information or official document or part thereof to any other employee or person to whom he is not authorized to communicate such information, or where such communication may prejudice the interest of the Company or which may adversely affect its business or competitive edge.

22.4 No form of insider trading shall be indulged in, whether direct or indirect, including in shares or commodities, or assist any outsider to derive advantage from information not in the public domain.

22.5 Senior Management employees shall remain non-political.

(The Code was originally approved by the Board of Directors of the Company on August 7, 2014 and was subsequently amended by the Board at its meeting held on February 8, 2016)

Section III
(Applicable to Executive Directors)

23. DUTIES

The Executive Directors shall—

- (a) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (b) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (c) strive to attend the general meetings of the company;
- (d) 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;
- (e) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (f) 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;
- (g) 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.

23.1 Executive Directors shall remain non-political.

(The Code was originally approved by the Board of Directors of the Company on August 7, 2014 and was subsequently amended by the Board at its meeting held on February 8, 2016)

Section IV
(Applicable to Non-Executive Directors)

The Section of the Code is a guide to professional conduct for independent directors/ non-executive directors. Adherence to these standards by independent directors/ non-executive directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders and regulators.

I. Guidelines of professional conduct:

An independent director/ non-executive director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bonafide manner in the interest of the Company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, inform the Board accordingly;
- (9) assist the Company in implementing the best corporate governance practices.

II. Role and functions:

An independent director/ non-executive director shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The independent directors/ non-executive directors of the Company 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;
- (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 Code;
- (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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the Company's management; while selecting independent directors, the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the Company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Conduct that the Company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in Sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the Company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

(1) The independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the Company shall strive to be present at such meeting;

(3) The meeting shall:

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

(The Code was originally approved by the Board of Directors of the Company on August 7, 2014 and was subsequently amended by the Board at its meeting held on February 8, 2016)