

BIRLA COTSYN (INDIA) LIMITED
**CODE OF CONDUCT FOR DIRECTORS AND
SENIOR MANAGEMENT PERSONNEL**



CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

PREAMBLE:

1. This Code of Conduct (hereinafter referred to as “the Code”) shall be called ‘Code of Conduct for Board of Directors and Senior management of **‘BIRLA COTSYN (INDIA) LIMITED’** (hereinafter referred to as “the Company”).
2. 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.
3. 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.
4. The code of conduct shall be posted on the website of the Company.
5. The conduct of Directors should be in accordance with the articles of association of the Company; but in no case should contravene the duties specified by the law.
6. Directors, being trustees of shareholders, have fiduciary relationship with them. As such, the Directors have fiduciary duties towards the Company. The Companies Act, 2013 has codified these fiduciary duties which though were not explicitly stated under the previous law, were implied in view of the fact that Directors are in a fiduciary relationship with the Company and its members the duties of a Director as specified under section 166 of the Companies Act, 2013:

APPLICABILITY:

The Code shall be applicable to:

1. All Directors/Senior Management personnel (i.e. all officials/ employees having equivalent or higher designation than ‘Assistant General Manager’) are expected to comply with the code in letter and spirit. They are also required to affirm compliance on an annual basis.
2. The Independent / Non- Executive Directors to the extent that it does not conflict with or is prejudicial to the interest to the Company. Subject to the foregoing and in accordance with the following paragraphs, the Independent / Non-executive Directors of the Company shall not be precluded from taking up outside assignments / Directorships in other Companies.

OBJECTIVE:

With a view to maintain high standards of governance, to induce and recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the organization, the following rules/code of conduct is required to be observed. The Company appoints the Company Secretary as the Compliance Officer

for the purposes of this Code, and the compliance officer will be available to Directors/Senior Management personnel to answer queries / provide clarifications and to help them comply with the code.

KEY REQUIREMENTS:

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company and observe the following code of conduct:

A. ACCOUNTABILITY:

The Directors/Senior Management personnel shall discharge their duties in good faith and integrity in business judgment and in the best interests of the Company and its stakeholders. They are expected to use their best endeavours and organize the resources for advancing the Company's objectives. They shall act ethically, honestly, diligently and in good faith to protect the Company's properties, brand equity and image. They shall act in good faith, responsibly, with due care, competence and diligence and without allowing their independent judgment to be subordinated. They shall act in the best interests of the Company and fulfil their fiduciary obligations.

B. CONFLICT OF INTEREST:

Directors/Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. Notwithstanding anything contain herein, an Independent / Non- Executive Director shall have the full liberty to pursue his/ her independent professional/ business/ employment activities and/ or to assume office(s) of Director/ trustee. Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Below are the common circumstances that may lead to a conflict of interest, actual or potential: –

1. They should not engage in any activity/employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.
2. They and their immediate families should generally refrain from investments in such Companies/ entities whereby their responsibility to the Company is compromised.
3. They should avoid conducting Company business with a relative or with a firm/Company in which a relative/related party is associated in any significant role. If such related party transaction is unavoidable, it must be fully disclosed to the board of the Company. Transactions/ dealing done on arm's length basis shall not be considered to be conflict of interest.

C. COMPLIANCE:

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behavior, Directors and Senior Management Personnel must report any possible violation of law, rules, regulations or the code of Conduct to the Company Secretary.

D. OTHER DIRECTORSHIPS:

The Directors must disclose their Directorship, Committee Membership on the Board of other Companies and substantial shareholding in other Companies to the Board on an ongoing basis.

E. CONFIDENTIALITY OF INFORMATION:

Any information concerning the Company's business, performance, its customers, suppliers, etc., which is not in the public domain and to which the Directors/Senior Management personnel have access or possesses such information must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required under any law. No Director /Senior Management personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized. Confidential information includes but are not restricted to:

1. Information not yet released to the public;
2. Unpublished company strategy;
3. Current or future R&D programs, technical breakthroughs and/or inventions;
4. Investments, planned merger or acquisitions;
5. Information received from customers or partners;
6. Unpublished Financial data either actual or forecasted;
7. Employee information;

F. INSIDER TRADING:

No Directors and Senior Management Personnel of the Company shall derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the company, not in public domain and therefore constituting insider information. All Directors/Senior Management Personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy of the Company.

G. EQUITY:

All attempts should be made to maintain equity and fair justice while dealing on behalf of the Company. The Directors/Senior Management personnel shall be committed to provide a work environment free from unlawful discrimination, harassment and intimidations of any nature. Any kind of harassment and discrimination based on gender, religion, age, sex, national origin and other such characteristics shall be strictly prohibited. They shall strive for maintaining a safe workplace by following safety and health rules and practices.

H. CONSUMER/ INVESTOR FOCUS:

The Directors/Senior Management personnel shall focus on customer/ investor 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.

I. CORPORATE OPPORTUNITY:

Except as approved by the Board, the Directors/ Senior Management Personnel are prohibited from:

- a) Taking any personnel opportunities directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position; and
- b) Using the Company's property, information or position for personal gain/advantage or to cause detriment to the Company. Notwithstanding anything contained herein, an Independent / Non- Executive Director shall have the full liberty to pursue his/ her independent professional/ business/ employment activities and/ or to assume

office(s) of Director/ trustee.

J. GIFT & DONATIONS:

No Director/Senior Management Personnel of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended to obtain business favors. Subject to this clause, nominal gifts of commemorative nature, for special events/ achievements or in the course of social relations and normal business courtesies may be accepted/ given.

K. PROTECTION OF ASSETS:

Directors and Senior Management Personnel must protect the Company's assets and information and may not use these for personal use, unless approved by the Board.

L. DUTIES OF THE INDEPENDENT DIRECTORS:

In addition to the above, the Independent Directors of the Company shall also abide by the duties as specified in Schedule IV of the Companies Act, 2013 and the rules made thereunder. The duties of Independent Directors under Schedule IV of the Companies Act, 2013 are as under:-

The Independent Director 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 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 non-executive 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.

COMPLIANCE WITH THE CODE:

Once every year or upon revision of this code, every Director/ Senior Management person must acknowledge an understanding of the code and an affirmation that he/she has complied with the Code. New Directors/ Senior Management persons will acknowledge and affirm at the time of joining.

AMENDMENT/ MODIFICATION/ WAIVER:

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.

REPORTING:

While every Director/Senior Management person has to himself ensure compliance with this code, any instance of violation or possible violation of this code by the concerned Director/ Senior Management person or by any other Director/ Senior Management person shall be immediately reported to the Board through the compliance officer. In case of any doubt as to the best course

of action, the concerned Director/ Senior Management person should promptly contact the compliance officer.

This Code embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the company's responsibility towards its stakeholders is an essential element of the Company's long-term excellence. All Directors and senior management personnel shall affirm compliance with the Code on an annual basis.

