



ANMOL INDUSTRIES LIMITED

CODE OF CONDUCT

FOR THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

ANMOL INDUSTRIES LIMITED

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Document Validation Note

Anmol Industries Limited (AIL), a limited company incorporated under the Companies Act, 1956 (now within the meaning of Companies Act, 2013) and having its registered office at 229, A. J. C. Bose Road, 3rd Floor, Crescent Tower, Kolkata - 700020 has framed and adopted this Code of Conduct for Board Members and Senior Management Personnel.

This Code sets forth the guiding principles on which the Board Members, Key Managerial Personnel and the Senior Management Personnel of the Company shall conduct themselves and discharge their responsibilities towards the stakeholders, government and regulatory agencies, customers, suppliers, society at large and all others with whom the Company is connected. The Directors and members of the Senior Management recognize that they are the trustees and custodian of public money including money borrowed from banks & financial institutions and in order to fulfill their fiduciary obligations and responsibilities, they shall maintain and continue to enjoy the trust and confidence of public & other stakeholders by rendering their duties in an efficient and transparent manner.

This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and emphasize upon the ethical behavior and to develop a culture of honesty and accountability.

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1) **DEFINITION**

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

- a) **Act** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- b) **Board of Directors** or **Board** means the collective body of the Directors of the Company.
- c) **Company** means Anmol Industries Limited, a Company constituted under the provisions of Companies Act, 1956 (now within the meaning of Companies Act, 2013).
- d) **Conflict of Interest** means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.
- e) **Executive Directors/Whole time Directors** shall mean and include Company's Managing Directors and Directors who are in whole time employment of the Company.
- f) **Independent Directors** shall mean an Independent Director as per the provisions of the Companies Act, 2013.
- g) **Non-Executive Directors** shall mean the Directors who are not in whole time employment of the Company.
- h) **Senior Management Personnel** shall mean personnel of the company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the Executive Directors, including all functional heads.
- i) **Key Managerial Personnel** shall mean personnel as defined as per the provisions 2 (51) of the Companies Act, 2013.

In this Code, words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

2) **SCOPE AND APPLICABILITY**

The Code of Conduct shall apply to:

- a) all Directors of the Company, whether executive or non-executive including Nominee Directors and Independent Directors;
- b) all Senior Management Personnel including Key Managerial Personnel of the Company.

This Code is not in substitution to other formal arrangements and procedures established in this regard.

3) PRINCIPLES OF THE CODE

The Board of Directors and the Senior Management Personnel of the Company shall act within the authority conferred upon them, in the best interests of the Company and shall observe the following Code of Conduct:

- a) Make best efforts to attend Board/ Shareholders / Committee / Senior management meetings of the Company or seek prior leave for absence from such meeting/s.
- b) Exercise authority and power with due care and diligence and whilst discharging the fiduciary responsibility of office in the best interest of the Company and all the stake holders.
- c) Not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office.
- d) Abide by policies and business principles of the Company.
- e) Comply with all applicable laws, rules and regulations.
- f) Preserve and protect the environment with due concern for ecology, clean air and meet high levels of pollution and emission standards.
- g) Observe strict confidentiality of the information acquired in the course of discharge of duties of office and not use the same for any personal purpose or advantage.
- h) Use Company property only for official purposes and for no personal gain. Not accept any personal gratification from suppliers/service providers/business partners, etc. (Note: Personal gratification will not include normal entertainment and gifts of no significant value).
- i) Deal fairly with customers, suppliers, employees and other business partners.
- j) Respect safety and health of all employees and provide working conditions which are not harmful to health.
- k) Encourage employees to acquire skills, knowledge and training to expand/enhance their professional and specialized knowledge.
- l) Maintain high ethical and professional standards in all dealings.
- m) Not to conduct themselves in a manner as may bring disrepute to office or tarnish the reputation and image of the Company.
- n) Not take up any activities competing with the business of the Company.
- o) Make proper record of all financial transactions and not create undisclosed or unrecorded account/fund or asset.
- p) Report any violation of this Code of Conduct to the Chairperson of the Company.

4) DUTIES OF DIRECTORS

The Companies Act, 2013 significantly specifies certain duties and responsibilities of the Directors of the Company. While the list of duties as per the provisions of the Act, has been enumerated below, it should however, by no means be considered to be exhaustive.

Pursuant to the provisions of Section 166 of the Companies Act, 2013 the Director(s) of the Company:

- a) shall act in accordance with the articles of the company, subject to the provisions of the Companies Act, 2013 as amended from time to time;
- b) shall 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;
- c) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d) shall 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;
- e) shall 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;
- f) shall not assign his office and any assignment so made shall be void.

5) DUTIES OF NON-EXECUTIVE DIRECTORS

In addition to the above duties, the Non-Executive Directors of the Company shall:

- a) Always act in the interest of the Company and ensure that any other business or personal association, which they may have, does not involve any conflict of interest with the operations of the Company and his/her role therein.
- b) Comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.
- c) Safeguard the confidentiality of all information received by them by virtue of their position.

6) DUTIES OF INDEPENDENT DIRECTORS

In addition to the above duties, all Independent Directors are required to adhere to the duties as prescribed under Schedule IV of the Companies Act, 2013. A guide to professional conduct for Independent Directors is separately specified under the Companies Act, 2013, in Schedule IV – “Code for Independent Directors”, which lays down the guidelines of professional conduct for Independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is appended as Annexure-I to this Code.

7) COMPLIANCE OF THE CODE

Each Director and Senior Management Personnel shall monitor his or her personal compliance with the code. In case of breach of this code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary. In case of breach of this Code by the Senior Management, the Managing Director shall deal with the same.

8) AMENDMENTS TO THE CODE

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management shall be duly informed of such amendments and modifications.

9) ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at Annexure-II and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.

10) NO RIGHTS CREATED

This Code of Conduct set forth guidelines for conduct for the Board of Directors and Senior Management Executives. It is not intended to nor does it create any right in favour of any Director or Senior Management Executive, client, supplier, customer, shareholder, or any other person or entity.

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SCHEDULE IV

[See section 149(8) of The Companies Act, 2013]

CODE FOR INDEPENDENT DIRECTORS

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

I. Guidelines of professional conduct:

An independent 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 *bona fide* 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, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors 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 controls 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 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/ she 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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company 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 fulfils 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 Business Ethics 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.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

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 fulfils 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.

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ACKNOWLEDGEMENT FORM

I, have received and read the Company’s “CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL (“this Code”).

I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :

Name :

Designation :

Date :

Place :

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