

BINANI INDUSTRIES LIMITED – CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

INTRODUCTION

Binani Industries Limited (“the Company”) is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct.

This Code of Conduct (“Code”) reflects the business practice and principles of behaviour that support this commitment. The Board of Directors (“the Board”) is responsible for setting the standards of conduct contained in the Code and for updating these standards as appropriate to reflect legal and regulatory developments. The Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. Every Director is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

Every Director must –

1. represent the interests of the shareholders of the Company;
2. exhibit high standards of integrity, commitment and independence of thought and judgement;
3. dedicate adequate time, energy and attention to ensure the diligent performance of his/her duties including make all reasonable efforts to attend Board or committee meetings; and
4. comply with every provision of this Code.

COMPLIANCE OFFICER

The Company has designated Mr. K.K.Saraf, President & Company Secretary, as its Compliance Officer to administer this Code. Directors, at their discretion, may make any report or complaint provided for in this Code to the Chairman of the Board of the Company or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

COMPLIANCE WITH APPLICABLE LAWS

In the discharge of their duties and responsibilities, Directors must comply with all applicable laws, rules and regulations. These would include securities laws, insider trading laws and the Company’s insider trading compliance policies.

CONFLICTS OF INTEREST

Directors must avoid conflicts of interest. Directors should also be mindful of, and seek to avoid, conduct which could reasonably be construed as creating an appearance of a conflict of interest. While Directors should be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any interests that adversely influence the performance of their duties, functions and responsibilities as Directors of the Company. A conflict of interest can arise when a Director or a member of his immediate family receives improper personal benefits as a result of his or her position as a Director of the Company. A conflict situation can also arise when a Director takes an action or has an interest that may make it difficult for him or her to perform his or her duties, functions and responsibilities objectively and effectively.

While the Code does not attempt, and indeed it would not be possible, to describe all conceivable conflicts of interest that could develop, the following are some examples of situations, which may constitute conflicts of interest:

- Working, in any capacity, for a competitor, customer, supplier or other third party while employed by the Company.
- Competing with the Company for the purchase or sale of property, products, services or other interests.
- Directing business to a supplier owned or managed by, or which employs, a relative or friend.
- Receiving loans or guarantees of obligations as a result of one's position as a Director.
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company.
- Accepting, or having a member of a Director's family accept, a gift from persons or entities that deal with the Company, where the gift is being made in order to influence the Director's actions as a member of the Board, or where acceptance of a gift could otherwise reasonably create the appearance of a conflict of interest.

Conflicts of interest may not always be clear-cut. Any question therefore about a Director's actual or potential conflict of interest with the Company should be brought promptly to the attention of the Chairman of the Board, who will review the question and determine a proper course of action, including whether consideration or action by the full Board is necessary. Directors involved in any conflict or potential conflict situations shall recuse themselves from any discussion or decision relating thereto.

CORPORATE OPPORTUNITY

Directors shall not –

1. compete with the Company; or
2. take for themselves personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information or position; or
3. use corporate property, information or position for personal gain.

CONFIDENTIALITY

All Directors must maintain the confidentiality of confidential information entrusted to them or disclosed or acquired by them in carrying out their duties and responsibilities, except where disclosure is authorised by the Company or is required by laws, regulations

or legal proceedings. The term “confidential information” includes, but is not limited to, non-public information that might be of use to competitors of the Company or harmful to the Company or its customers, if disclosed. Whenever feasible, Directors should consult the Chairman of the Board or the Compliance Officer if they believe they have a legal obligation to disclose confidential information.

FAIR DEALING

Directors should endeavour to deal fairly with the Company’s customers, suppliers, competitors, officers and employees. No Director may take unfair advantage of the Company’s customers, suppliers, competitors or employees through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Gifts or entertainment in any form that is likely to result in a feeling of expectation of personal obligation should not be extended or accepted.

PROTECTION AND PROPER USE OF COMPANY ASSETS

Directors should perform their duties in a manner that protects the Company’s assets and ensures their efficient use. Company assets should be used for legitimate business purposes.

REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOUR

Directors are encouraged to promptly contact the Chairman of the Board or the Compliance Officer if the Director believes that he or she has observed illegal or unethical behaviour by any employee, officer or director, or by any one purporting to be acting on the Company’s behalf or any violation or possible violation of this Code and the reporting Director has any doubt as to the best course of action in a particular situation. Confidentiality will be maintained, to the extent permitted by law.

PUBLIC COMPANY REPORTING

As a public company, it is of critical importance that the Company’s filings with the Securities and Exchange Board of India, the Reserve Bank of India and/or the concerned Stock Exchange(s) on which the securities of the Company are or may be listed be full, fair, accurate, timely and understandable. Directors may be requested to provide information necessary to ensure that the Company’s published reports meet these requirements. The Company expects Directors to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

AMENDMENT, MODIFICATION AND WAIVER

This Code may be amended, modified or waived only by the Company’s Board of Directors and must be publicly disclosed if required by any applicable law or regulation. As a general policy, the Board will not grant waivers to the Code.

CODE OF CONDUCT FOR SENIOR MANAGEMENT

Integrity comes from action, not words. Unyielding personal integrity is the foundation of corporate integrity.

Binani Industries Limited aims to create an environment that allows individuals to excel, be creative, take initiative, seek new ways to solve problems, generate opportunities, be accountable for our actions and be recognized for our contribution and teamwork.

Binani Industries Limited's commitment to ethical and lawful business conduct is a fundamental shared value of its board of directors, management and employees and critical to the company's success. These standards for business conduct provide that the senior management will uphold ethical and legal standards vigorously as the company pursues its financial goals, and that honesty and integrity will not be compromised anywhere at any time. Consistent with these principles, the company's board adopts this code of conduct as a guide to the high ethical and legal standards expected of the senior management. These standards are not voluntary but mandatory.

Definition:

Senior management has been defined under clause 49(l)(D) of the Listing Agreement to include personnel of the company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors, including all functional heads executive committee members and all executives upto rank of General Managers in BIL and its Subsidiaries.

1. Our Value system

- We are driven by our customers.
- We recognize the importance of our people.
- We operate with integrity.
- We strive for excellence.
- We deliver on our promises.

2. Introduction

No code or policy can anticipate every situation that may arise. Accordingly, this code is intended to serve as a source of guiding principles. The paramount principles are:

- We treat people inside and outside the company with fairness, dignity and respect;
- We are bound by the code of corporate disclosure practices for prevention of insider trading adopted by the board under SEBI(Insider Trading) Regulations.
- Ignorance of our standards is no excuse for violating them. If we have doubts, we have the personal responsibility to raise questions and get answers.

3. Our personal responsibilities

3.1 Role models

People who lead others need to be ethical role models for employees and foster an environment of trust and co-operation by

- Demonstrating the highest standards of integrity and responsibility when dealing with employees, customers, suppliers and the community;
- Not creating pressure to act in an unethical manner;

- Contributing to a work environment that encourages employees to voice concerns and get help when faced with potentially compromising situations. This also means supporting employees who make sometimes the difficult decisions to speak out;
- Avoiding any approval of conduct that may be unethical, dishonest or potentially damaging to the company's reputation.

3.2 Critical role

We are expected to demonstrate our personal commitment to the company's standards of behaviour and manage their employees according to the standards. We must maintain a workplace environment that ensures compliance with our code of conduct and ethics. We should develop our subordinates' capabilities to perform and in course of time to lead.

3.3 Reporting with integrity

We place great importance on the accuracy and completeness of the financial information we report and are committed to preserving its integrity. Our financial, accounting, and other reports and records, including the periodic reports to the stock exchanges, must fairly, accurately and completely reflect all transactions and the financial condition of the company. Disclosures in our financial statements will also be timely and understandable. In addition, we also comply with required statutory accounting practices as well as any governmental regulations in the countries and localities where we do business.

3.4 Adherence to Insider Trading Regulations

We are committed to adhere to SEBI (Prohibition of Insider Trading Regulations). We will keep the company informed about the purchase and sale of company's shares. We strictly abstain from dealing in company' shares when the trading window is closed prior to board meetings. We also make periodical report to the compliance officer about our shareholdings.

We will not divulge any price sensitive information to our family members or friends. We will also not indulge in short term speculative deals in company's shares.

3.5 Avoidance of conflict of interest

We should avoid putting ourselves or any of our family members in any situation that would create conflict between personal interests and the interest of the company. We shall inter alia avoid the following:

- Receiving money or property from third parties in connection with the company's business;
- Having an ownership or other interest in the company's customer, supplier or competitor, other than ownership of an insignificant number of shares therein;
- Having an employment or consulting relationship with the company's customer, supplier or competitor;
- Engaging in any outside activity that competes with the company's business;

- Supervising, reviewing or having influence over the evaluation, pay or benefits of a close relative employed in the company;
- Taking personal advantage of a business opportunity that could affect the interest of the company.

3.6 Legal compliance

We are committed to obey all the applicable laws, rules and regulations wherever we do business in the world. Proper employee conduct ensures that all laws are obeyed and that all conduct is ethical and above reproach.

The following principles shall guide our day-to-day behavior:

- Never do anything that we know would violate law;
- Never do anything that we think might violate law:
- Never use company's property for our personal gain;
- Never falsify company's books, reports and records and vouchers;
- Never allow the employees reporting to you to violate any law;
- Take special care to ensure that company's books, reports etc., and the documentation relating to company's transactions are accurate and complete;
- Follow company's policies and procedures in everything we do;

3.7 Respect the individual

As a company, we recognize the dignity of the individual. We respect each employee. In return, we expect that employees will not:

- Harass, or discriminate against, fellow employees;
- Use illegal drugs and alcohol in the workplace, or work while under the influence;
- Retaliate against any fellow employees who protest or complain about discrimination and harassment.
- Indulge in sexual harassment

4. Our workplace responsibilities

4.1 Safe workplace

We must provide clean workplace as per the company standards. The workplace must be free from safety or health hazards or disease, and it should be ensured that the operational hazards are controlled to accepted levels.

4.2 Safeguard company's property

We will make efficient and proper use of assets and resources including proprietary information, technology data, software, land, buildings, equipment, inventories and cash. We will use the company's assets for legitimate business purposes only.

We will take care to safeguard the company's intellectual property rights.

4.3 Information systems

Any information put in the system is company's property, and no employee has any privacy rights to this information. When we use these systems, we consent to the

company monitoring and auditing what we put on it and how we use the internet. The following are considered misuse and abuse of our information systems:

- Forwarding or posting content that is abusive, slanderous or defamatory, or which is offensive, harassing, vulgar, obscene or threatening;
- Placing confidential or proprietary company information on any internet or intranet site without proper authorization;
- Doing anything else that conflicts with the intent of this policy or other policies of the company.

4.4 Confidentiality of information

We treat the company's information confidentially irrespective of its nature be it financial or operating results, business or marketing plans, sales or promotional activity, advertising plans or expenditures, customer lists, new products, product research, price changes, mergers or acquisitions, securities offerings, management changes, or trade secrets. We will honour this confidentiality while in service and even after retirement.

5. Market place responsibilities

5.1 Customer expectations

We will provide value added products and services that meet or exceed customers' expectations for quality, integrity and reliability. We will satisfy our customers' specifications or other requirements well on time deliveries.

5.2 Relationship with suppliers

We will build long-term relationships with our suppliers. We will provide fair and open information and instructions to each competing supplier.

6. Protection of environment

Our company is committed to environmental excellence in the design, manufacture, distribution, recycling and disposal of our products. We abide by all health, safety and environmental laws and regulations applicable wherever the company operates. In all cases, at a minimum, we will:

- Communicate honestly and openly with our employees, as well as our customers, shareholders, and Government agencies about the nature of our operations and products and their relationship to the environment.
- Identify, control and minimize waste and the use of hazardous materials.
- Continue to design products that are environmentally sound, conserve resources such as water and energy, and minimize the use of hazardous materials.
- Provide appropriate health, safety, and environmental training to our employees.

Binani Industries Limited expects its senior management to live upto these guidelines embedded in this code of conduct. Where there is no stated guideline in the code, it would be the responsibility of each member of the senior management team to apply

judgement, together with his personal ethical standards, in making business decisions for the company.

7. Compliance Officer

The Company has designated Mr. K.K.Saraf, President & Company Secretary, as its Compliance Officer to administer this Code.