



# INDIA CARBON LIMITED

REGISTERED OFFICE: NOONMATI, GUWAHATI-781020, ASSAM  
CORPORATE OFFICE: 4<sup>TH</sup> FLOOR, 6 OLD POST OFFICE STREET, KOLKATA-700001

## CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

### **Preamble:**

This Code of Conduct for Directors and Senior Management Personnel (“**Code of Conduct**”) is an integral part of the Company’s commitment to good Corporate Governance. It is fundamentally a set of principles and values expected to be maintained by the Directors and Senior Management Personnel of the Company and to provide an open and motivating work environment pursuant to Regulation 17(5) (a) of SEBI (LODR) Regulations, 2015 and which is conducive to upholding and achieving the Company’s goals and vision. The Code of Conduct strives to create an environment where all the Directors and Senior Management Personnel maintain honesty, integrity and ethical standards in dealing with and managing the affairs of the Company. It serves as a guideline to corporate and individual behavior in the conduct of business and the discharge of duties of all concerned.

### **Applicability:**

This Code of Conduct is applicable to the Directors and all the Employees of the Company in the grades of vice president and above, Heads of Department, general managers, wherever located (collectively referred to as Directors and Senior Management Personnel). The Code of Conduct is divided into: Part A: applicable to the Directors as well as Senior Management Personnel of the Company; Part B: Additional responsibilities applicable to the Directors of the Company; and Part C: Covers general provisions of the Code of Conduct. In addition to compliance with this Code of Conduct, the Senior Management Personnel of the Company should also review and follow the Company’s other applicable codes, policies and procedures, including the “Code of Conduct for Employees of the Company” (for matters not covered in this Code of Conduct). Whenever the aspect of the Code of Conduct is covered under any Applicable Law, the more stringent of the respective provisions shall apply unless the law expressly forbids it. If any Applicable Law covers any aspect but this Code is silent on the same, the provisions of the Applicable Law shall apply.

### **Effective Date:**

This Code of Conduct shall come into force with effect from 1<sup>st</sup> Day of December, 2015

### **Definitions and Interpretation**

In this Code of Conduct, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below “Applicable Law” includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time.

“Board / Board of Directors” shall mean the Board of Directors of the Company “Company Assets” includes, among other things, the Company’s money or product, employees and Directors’ time at work and work product, computer systems and software, telephones,



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wireless communication devices, photocopiers, tickets to concerts and sporting events, Company vehicles, proprietary information and Company trademarks.

“Compliance Officer” shall mean the Compliance Officer of The Company appointed by the Board of Directors. He may also be authorized to provide written approvals for actions under the Code in the areas of Conflicts of Interest and Company Assets

“Director” shall mean a member of the Board of Directors of the Company “Senior Management Personnel” shall mean all the employees of the Company in the grades of vice president and above, Heads of Department and general managers, wherever located

“Relative” shall mean ‘relative’ as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014 and any changes/amendments/addition/deletion in the term ‘Relative’ from time to time as per statutory notification or circular. In the Code of Conduct words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

## **PART A**

### **Honesty, Integrity and Ethical Conduct**

Integrity is fundamental to our Company. Integrity means doing what is right. By acting with integrity, we reflect positively on the values and reputation of the Company and its brands. In this regard the Directors and Senior Management Personnel shall: a) Act with utmost care, skill, diligence, integrity, honesty, trust and fairness, discipline and teamwork, as well as truthfulness and high moral standards in their dealings and conduct, both within the Company and outside b) Act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised. (c) Uphold professionalism and competence it is expected that business shall be carried on in a manner that safeguards the interest of shareholders and enhances shareholders 'value Significance shall be attached to the Company's commitments, both internal and external, and every possible effort must be made to achieve them and adhere to them. The Directors and Senior Management Personnel shall conduct themselves in a way that upholds and enhances the image of their position and the Company. They shall not undertake or participate in any task, debate or conversation that can reflect unfavorably on the Company's dignity or go against the Company's interests. The Directors and Senior Management Personnel of the Company must, as a philosophy, endeavor to optimize on expenses incurred by the Company and avoid any misuse or wasteful expenditure. The expenses incurred in the course of employment and relating to the business are to be claimed as per the authorization policy of the Company. Personal expenses, whether one's own, his/her family's or on account of business interest, shall not be charged or paid for on the Company's account.

### **Financial Reporting**



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All Working Directors and Senior Management Personnel shall ensure that all business transactions shall be recorded in true, fair and timely fashion in accordance with the accounting and financial reporting standards, as applicable to the Company. They will ensure the reliability and accuracy of its accounts, records and reports. Every Director and Senior Management Personnel of the Company must ensure that the Company's books, records, accounts and financial statements are maintained in appropriate detail and conform both to Applicable Laws and to the Company's system of internal controls. They shall also ensure that the Company's information furnished to the government departments/authorities, financial institutions and banks are authentic and accurate.

Intentional 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 of Conduct.

## **Protection and Proper Use of Company's Assets**

The Company's assets and services are for the conduct of Company's business only. No assets shall be used for any personal or unauthorized use. Directors and Senior Management Personnel must never engage in fraudulent or any other dishonest conduct involving the property or assets of the Company or any third party. This may not only entail disciplinary action but also result in criminal charges. Directors and Senior Management Personnel shall safeguard and make only proper and efficient use of the Company's property. The Directors and Senior Management Personnel shall endeavor to protect the Company's assets against loss, theft or other misuse and are responsible for the careful use. These obligations cover both tangible and intangible assets, including trademarks, know-how, confidential or proprietary information and information systems. Use of Company's asset(s) does not confer any right, nor creates a lien on the asset(s), in favor of the user at any time. The Directors and Senior Management Personnel shall return the Company's assets entrusted to them while in office, when they are leaving the service or office of the Company.

The Company policy may allow additional personal use of certain assets, such as a Company car or wireless communication device. Always check HR policies to ensure that you are using Company assets as intended.

## **Legal Compliance**

Directors and Senior Management Personnel are bound by the law. Compliance with all Applicable Laws and regulations must never be compromised. The Directors and Senior Management Personnel shall keep themselves updated in relation to Laws /statutory compliances applicable to their scope of work. The Directors and Employees of the Company shall comply with all laws, rules and regulations as may be applicable to their scope of work, both in letter and spirit and shall not commit any illegal or un-ethical act. Employees with questions about the applicability or interpretation of any law, rule or regulation, should contact the Compliance Officer. Additionally, the Directors and Senior Management



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Personnel shall adhere to internal rules and regulations as they apply in a given situation. These internal rules and regulations are specific to the Company and may require additional compliances to what is required under Applicable Laws.

## **Insider Trading**

No form of insider trading shall be indulged in, whether direct or indirect, including in shares or commodities. All Non-public Information about the Company should be considered confidential information. Directors and Senior Management Personnel of the Company shall not trade in shares or other securities of the Company while in possession of material non-public information except in the conduct of the Company's business. Further, no assistance direct or indirect shall be provided to any outsider to derive advantage from price sensitive information which is not in the public domain. Non-compliance may not only entail disciplinary actions, but also result in criminal charges. The Directors and Senior Management Personnel of the Company shall abide by the Code of Conduct for prevention of Insider Trading. Speculation and/or regular trading in the Company's shares or any commodity manufactured by the Company by any Directors and Employees shall be unacceptable.

## **Reporting Violations**

The Directors and Senior Management Personnel of the Company shall promptly report any known or suspected violations of the Codes, Policies and Rules of the Company or any unethical behavior as laid down under the Company's Vigil Mechanism/Whistle Blower Policy or any other applicable policies / codes of the Company

## **Confidentiality**

Confidential information consists of any information that is not or not yet public information and that might be of use to competitors or harmful to the Company or its stakeholders, if disclosed. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, designs, databases, records, salary information and any non-published financial or other data. The Directors and Senior Management Personnel of the Company should share the responsibility for protecting the confidentiality and security of the Company's proprietary, technical and other business information. Such respect for confidentiality shall also continue after such person ceases to hold office as a Director or Senior Management Personnel.

They shall not communicate in any matter (except as per any general or special order of the Company or in the performance of duties assigned to him/her), any information or official document or part thereof to any other person to whom he/she 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. Furthermore, Directors and Senior Management Personnel must use best efforts to avoid unintentional



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disclosure by applying special care when storing or transmitting confidential information. The Company respects that third parties have a similar interest in protecting their confidential information. In case the third parties, such as joint venture partners, suppliers or customers, share with the Company confidential information, such information shall be treated with the same care as if it was the Company's confidential information. In that same spirit, Directors and Senior Management Personnel shall protect confidential information that they have obtained in the course of their prior employments or engagements.

## **Conflicts of Interest**

The Directors and Senior Management Personnel of the Company shall take all care to ensure that there does not arise a Conflict of Interest between him/her and the Company.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interests of the Company. Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations, which may constitute a conflict of interest:

- When a Director or any Senior Management Person 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 of the Company.
- Any information (including, but not limited to competitive information) considered prejudicial to the Company's interest is disclosed to any third party(s) so as to expose such interest to risk.
- Abetment of any efforts of any third party to influence or effect supply or services, either directly or indirectly, to the Company at the prejudicial terms or terms other than at arm's length.
- There is a harm or financial loss to the Company due to any act(s), including obvious negligence or willful neglect of duty, non co-operation, of any Director or Employee directly or through a third party or his abetting such action by another employee or person.
- When a Director or any Senior Management Person or a member of his or her immediate family/ associate operates or commences/proposes to operate a business in direct conflict or competition with the business of the Company.
- When a Director or any Senior Management Person utilizes the Company's resources, financial or otherwise, to support his/her own financial or business interest (or his/her relative/associate) or helps promote financial or business interest of any other employee or person.

If a Conflict of Interest arises, or exists historically in case of a Director of the Company, the first remedy is to bring it to the notice of the Board of Directors. If the Board of Directors is satisfied that a Conflict of Interest exists, then the same shall be said and deemed to exist. An



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attempt may be made by the Board of Directors 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 Board of Directors shall be entitled at their sole discretion to decide.

If a Conflict of Interest arises, or exists historically in case of any Senior Management Person of the Company, the first remedy is to bring it to the notice of his/her higher Management. If the Management is satisfied that a Conflict of Interest exists then the same shall be said and deemed to exist. 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.

## **Corporate Opportunities**

It is expressly prohibited for the Directors and Senior Management Personnel of the Company to directly or indirectly:

- a) Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or position
- b) Competing directly with the business of the Company or with any business that the Company is considering.
- c) Using of Companies property, information or position for personal gain. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he/she may pursue such activity only after disclosing the same to the Board of Directors.
- d) 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.
- e) Hold or be interested in any place of wrongful personal gain vis-à-vis the Company.

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 Board of Directors is satisfied about the violation of any of the above, possible legal action for recovery of gains or advantages wrongfully obtained shall result.

Provided that Directors, other than those who are in the whole-time employment of the Company, may be appointed in other companies or bodies corporate subject to disclosure of the same to the Board.



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## **Related Party Transactions**

No Director or Senior Management Personnel shall, in his official capacity, enter into business related parties, as defined under Applicable Laws, except with the prior approval of the Board or the shareholders of the Company, as the case may be, and unless otherwise permitted by law.

The Directors and Senior Management Personnel intending to enter into any such related party transaction shall make disclosure of the transactions to the Board or the Managing Director, as may be applicable. A related party may be hired as employees or consultants only if the appointment is in the ordinary course of business and on an arms' length basis i.e. based on requisite qualifications, performance, skills and experience. Provided that there is no direct or indirect reporting relationship between the Director or Senior Management Personnel and related party These principles of fair employment will apply to all aspects of the employment, including compensation, training, promotions and transfers, as well as in case that the relationship develops after the respective Directors or Senior Management Personnel has joined the Company.

Provided that if they are equally suited as other candidates, priority may be given to relative of the Company's employees with respect to internships, training periods, employment during holidays and similar short-term assignments.

## **Customers, Suppliers and Stakeholders**

The Company is committed to create value for each of its stakeholders and maintaining long term and mutually beneficial relations with them by constantly providing high quality goods and services through equitable conduct. The Directors and Senior Management Personnel shall treat the Company's customers, suppliers and stakeholders with respect and dignity. There shall be a consistent effort to exhibit fairness and courtesy in dealings and behavior with them. There should not be any coercive measures used while dealing with any of the stakeholders.

## **Gifts, Hospitality and Donations**

The Company will not accept bribery or engage in corruption in the course of conducting the business of the Company. The Directors and Senior Management Personnel are prohibited from receiving, soliciting or offering any illegal or undue pecuniary or other advantage, (e.g. payments, remuneration, gifts, donations, hospitality of any kind or comparable benefits) which are intended to obtain any improper business advantage. Directors and Senior Management Personnel, however, may honor, accept and offer nominal gifts which are customarily given and are of a commemorative nature, for special events.

## **Responsibility towards Society**



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The Company recognizes its social responsibility and aims to improve the quality of life of its workforce, their families and the communities around its operations. It makes efforts to extend support to the community welfare, health and education. It is committed to being a good corporate citizen. The Company is committed to pursue good employment practices, community involvement as well as cordial customer and supplier relations. The Working Directors and Senior Management Personnel shall commit to these practices.

## **Health, Safety and Environment**

The Company endeavors to promote greater awareness about health care for employees and their families and also strive to maintain healthier work environment in all its work places. The Company is committed towards total industry safety and takes continuous measures in this regard. The Company maintains respect for environment and conforms to environmental laws. All efforts are made to prevent wastage of natural resources in the course of conduct of business and to preserve the environment for future generations by striking a balance between economic growth and continuously improving environmental performance.

The Directors and Senior Management Personnel shall adhere to the practices of the Company in these regard.

## **Political Contributions and Activities**

Any political contribution made by or on behalf of the Company and any solicitation for political contribution of any kind must be in conformity with the prevailing laws and as may be determined by the Board of Directors from time to time. This applies solely to the Company and is not intended to discourage or prevent individual Director or Senior Management Person from making political contributions or engaging in political activities on their own behalf. No personal political contribution shall be reimbursed by the Company. No personal political activities should interfere with the duties to be discharged with the Company in line with the Code of Conduct.

## **Freedom of Association**

The Directors and Senior Management Personnel of the Company joining or assuming responsibility at any professional, trade, legislative, political or public body including as an office bearer, can do so, however he/she must inform the Board of Directors. They shall remain non-political and non-partisan as regards their opinion pertaining to official transactions.

## **Relatives and Association**

If and when a Director or any Senior Management Person suggests or refers a candidate for employment with the Company or a party for transacting any business with Company he/she must make it unambiguous if (and how) the candidate/party is in any way related or





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associated with him/her personally or professionally. 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 Act.

## **Defamatory Statements**

Directors and Senior Management Person shall not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by an Director or Senior Management Person, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.

## **Email and Internet**

The Company's email and Internet facilities are provided only for the purpose of the business of the Company. All users shall take due care to ensure security and safety of data and follow customary accepted norms of usage for hardware and software. No one shall utilize Internet connections or accounts of the Company for personal use, including Company's e-mail account for non-company mail. Any Director or Senior Management Person of the Company 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 to any unauthorized person. The Company prohibits the use of Internet facilities for casual browsing, chatting, surfing and down loading software or materials, which offend norms of social decency, from the computers provided by the Company at their workplace. Posting and disseminating Company's information and data on internet except for business exigencies are prohibited. No Director or Senior Management Person of the Company shall use the name of the Company on a website or web page on Internet or post data or information in any form of multimedia or software which have no connection with the Company.

## **Use of Permitted Software**

Only permitted software can be loaded onto the Company machines and only by appropriate persons. The use of pirated/illegal software on the Company's equipment and the laptops provided by the Company is prohibited.

## **PART B**

### **Every Director of the Company shall:-**

- act in accordance with the Articles of the Company and ensure compliance with all laws applicable to the Company;



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- strive to attend the Board and Committee Meetings regularly;
- 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;
- exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- 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
- not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates
- make all necessary disclosures to the Company as per the applicable laws;
- not assign his office.

## **Additional Duties of Independent Directors**

As per Schedule IV of the Companies Act, 2013, the Independent Directors 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;
- c) strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the Company;
- f) 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;
- g) keep themselves well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;



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- i) 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;
- j) 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;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct;
- l) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) 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.

## **PART C**

### **General Responsibility**

Each Director and Senior Management Person of the Company will be responsible for the observance of this Code of Conduct in both letter and spirit to the extent relevant and applicable to them. Non-compliance with the Code of Conduct may be subject to disciplinary actions including termination.

### **Acknowledgement**

All Directors and Senior Management Person of the Company shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as per Appendix - I and forward the same to the Compliance Officer, indicating that they have received, read, understood and agreed to comply with this Code of Conduct.

### **Annual Confirmation**

All Directors and Senior Management Personnel in the Company in the grade of vice president and above, heads of department and general managers shall give annual confirmation by 30th April to the Secretarial Department of the Company that they have complied with the Code of Conduct during the previous year ended 31st March.

### **Waiver**



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As a general practice, the Board of Directors of the Company will not grant waiver to this Code of Conduct. However, in extraordinary situation and for reasons recorded in writing the Board of Directors of the Company may grant waiver to any person from any one or more of the provisions of this Code of Conduct.

## **Review, Amendment and Modification**

This Code of Conduct may be reviewed, amended, modified or waived by the Company's Board of Directors as and when required or deemed necessary.

## **Outsider's Recourse**

No outsiders will have any right or recourse to any action or claim of whatsoever nature against any of the Directors or Senior Management Personnel for the non compliance of the Code of Conduct.

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