



# GRANULES INDIA LIMITED

## Code of Conduct for Board & Senior Management

### **I. Purpose:**

The commitment of Granules to ethical and lawful business conduct is a fundamental shared value of our Board of Directors, Management and Employees are critical to the Company's success. Our standards for business conduct provide that we will uphold ethical and legal standards vigorously as we pursue our financial objectives and business goals, and that honesty and integrity will not be compromised anywhere, at any time. Consistent with these principles, Granules Board has adopted this code of conduct as a guide to the high ethical and legal standards expected of its members.

### **II. Applicability:**

This Code of Conduct applies to the following:

1. All Members of the Board of Directors of the Company; (hereinafter referred to as the "**Directors**")
2. (a) Chief Financial Officer;  
(b) Chief Marketing Officer  
(c) Chief Operating Officer;  
(d) Company Secretary;  
(e) All other personnel of the Company one level below the Executive Directors, including all functional heads (by whatever designation called)

### **III. Code of Conduct for Board of Directors:**

#### **1. In performing their Board and Board Committee functions, our Directors will:**

- Act diligently, openly, objectively, honestly and in good faith.
- Provide leadership in advancing the Company's Vision, Values and Guiding principles.
- Discharge their responsibilities and duties, as members of the Board and of any Board Committees on which they serve, in accordance with their good faith, business judgment and in the best interest of the company and its shareholders.
- Become and remain familiar with the Company's business and the economic and competitive environment in which the Company operates and understand its principal business plans, strategies and objectives, operational results and financial condition, and relative market place position.

- Commit the time necessary to prepare for, attend and actively participate in regular and special meetings of the Board and of the Board Committees on which they serve.
- Inform the Board the changes in their employment, other Board positions, relationships with other business, charitable, and Governmental entities and other events, circumstances or conditions that may interfere with their ability to perform their Board or Board Committee duties or impact the Board's assessment of whether they meet the independence requirements of SEBI, BSE and NSE.
- Not enter into, without the prior approval of the disinterested members of the Board, any transaction or relationship with the Company in which they will have a financial or personal interest (either directly or indirectly, such as through a family member, or other person or organization with which they are associated), or any transaction or situation which otherwise involves a conflict of interest.
- Maintain the confidentiality of all material, non-public information about the Company, its business and affairs.
- Abide by all public laws and regulations and the Granules Insider Trading Compliance programme.

In addition to the above, Our Independent Director shall:

- Uphold ethical standards of integrity and probity.
- Act objectively and constructively while exercising his duties.
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making.
- 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.
- 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.
- Refrain from any action that would lead to loss of his independence.
- Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly.
- Assist the company in implementing the best corporate governance practices.

## **2. ROLE AND FUNCTIONS OF INDEPENDENT DIRECTORS:**

The independent directors:

- Shall 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.
- Shall bring an objective view in the evaluation of the performance of board and management.
- Shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- Shall satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- Shall safeguard the interests of all stakeholders, particularly the minority shareholders.
- Shall balance the conflicting interest of the stakeholders.
- Shall 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.
- Shall moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- Any other functions, duties and responsibilities as prescribed under Schedule IV of Companies Act, 2013 or under any other law as may be prescribed from time to time.

## **3. DUTIES OF INDEPENDENT DIRECTORS:**

The independent directors:

- Shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
- Shall 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.
- Shall strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member.
- Shall participate constructively and actively in the committees of the Board in which they are chairpersons or members.

- Shall strive to attend the general meetings of the company.
- Shall 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.
- Shall keep themselves well informed about the company and the external environment in which it operates.
- Shall not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- Shall 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.
- Shall 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.
- Shall report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- Shall act within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
- Shall 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. Code of Conduct for Senior Management:**

##### **1. INTRODUCTION**

Ethical Business conduct is critical to a business. Accordingly, officers of the Company are expected to read and understand this code, uphold the standards in day-to-day activities and comply with all applicable laws, rules and regulations as well as the policies and procedures adopted by the company that govern the Conduct of its employees. The matters covered in this code are of utmost importance to the company, its stakeholders and business partners. Further, these are essential so that we can conduct our business in accordance with our stated values. All officers of the Senior Management should send acknowledgement in writing to HR Department indicating that they have read and understood and agreed to comply with the code.

## 2. HONEST AND ETHICAL CONDUCT

All officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the company's premises, at company sponsored business and social events, or at any other place where Officers represent the company.

Honest conduct is understood as such conduct that is ethical, free from fraud or deception and conforming to the accepted professional standards. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

## 3. CONFLICTS OF INTEREST

An officer's duty to the company demands that he or she avoids and discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the company. Examples include:

**Employment/Outside employment:** In consideration of employment with the Company, Officers are expected to devote their full attention to the business interest of the Company. Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit Officers from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, Officers must disclose to the Company's CMD/ Audit Committee, any interest that they have that may conflict with the business of the Company.

**Outside directorships and employment:** It is a conflict of interest to serve as a Director / Employee in any other organization which is doing similar business in which our Company is engaged.

**Related parties:** As a general rule, Officers should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. The Company discourages the employment of relatives of Officers in positions or assignments within the same department. Further, the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g., an auditing or control relationship, or a supervisor / subordinate relationship).

**Payments or gifts from others:** Under no circumstances may Officers accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy.

**Corporate opportunities:** Officers may not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company.

**Other situations:** Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Officers must consult the Head of HR / Finance.

#### **4. CONNECTION WITH PRESS / TV / RADIO**

The Chairman and Managing Director will appoint a Sr. Level Officer of the Company as 'Spokesman' who would interact with the media / radio / press. No other officer except with the permission of CMD will make any statement in press / media. No officer of the Company can criticize the Company in any article / in radio / TV broadcast etc.

#### **5. DISCLOSURE**

Our policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to any outside agency and in our other public communications. Accordingly, the Officers must ensure that they and others in the Company comply with company's disclosure controls and procedures, and our internal controls for financial reporting.

#### **6. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS / INTERNAL COMPANY POLICIES**

Officers must comply with all applicable governmental laws, rules and regulations. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the finance department. Officers must comply with the company's internal policies.

HR Department will arrange training for those employees who are discharging the functions relating to compliance with the rules / laws / technical know-how and Research & Development activities for their respective departments.

#### **7. VIOLATIONS OF THE CODE**

Part of an Officer's job and of his or her ethical responsibility is to help enforce this Code. Officers should be alert to possible violations and report this to the Head of HR / Finance Department. Officers 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.

The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators.

## **V. Waivers and Amendments of the Code**

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment/ inclusion or waiver of any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

**FOR GRANULES INDIA LIMITED**

**Sd/-**

**C. KRISHNA PRASAD  
CHAIRMAN & MANAGING DIRECTOR**