

**The Code of Conduct for
Board Members and Senior Management of
Balmer Lawrie & Co. Ltd.**

Good Corporate Governance mandates a prescription of Code of Conduct for the Board Members of the Company and its Senior Management. This Code seeks to address this requirement.

This Code shall be called “The Code of Conduct for Board Members and Designated Personnel of Balmer Lawrie & Co. Ltd.” and hereinafter be referred to as “the Code”.

This Code has been framed specially in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and as per the Guidelines of Department of Public Enterprises.

The Purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

The Code shall cover all the Members of the Board of Directors of the Company and the Senior Management Personnel i.e. officers in the level of General Managers and above. The whole time directors and officers in the rank of General Managers and above are hereinafter called as the “Designated Personnel”.

The Articles of Association of the Company stipulate that, so long as the Company is a Government Company, the Directors of the Company shall be appointed by the President of India. Broadly; the Board consists of Whole-time Directors, Nominee Directors of Government of India and Independent Directors.

It may be pertinent to mention that:-

- (a) The Designated Personnel are governed by the “Conduct, Discipline & Review Rules” [CDR] and the CDR covers the entire gamut of the conduct and behaviour of the officers of the Company.
- (b) The Nominee Directors of the Government of India are usually from one of the organised services of the Government of India. Members of such organized services are also governed by their respective Conduct rules.
- (c) This Code in no way conflicts with the respective Conduct rules applicable to the Designated Personnel and the Nominee Directors of the Government of India.
- (d) Independent Directors are appointed by the Government of India from amongst eminent persons fulfilling prescribed eligibility criteria. Whenever such Directors are appointed, this Code shall apply to them and a copy of this Code will be made available to them and without prejudice to their independence, they shall conform to this Code wherever applicable.

Definitions and Interpretations:

- The term “Relative” shall have the same meaning as defined in Section 6 of the Companies Act, 1956.
- The term “the Company” shall mean BALMER LAWRIE & CO. LTD.

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

Applicability

- This Code shall be applicable to the following Personnel:
 - a) All Whole-time Directors including the Chairman & Managing Director of the Company.
 - b) All Part-time Directors including Independent Directors under the provisions of law.
 - c) Senior Management.
- The Whole-time Directors and Senior Management shall continue to comply with the CDR and other Rules applicable/to be made applicable consistent with policies, rules and procedures of the Company.

Persons covered under this Code are expected to comply with the following:

1. **Be honest and trustworthy & practice integrity**

Uphold highest level of personal and professional integrity, honesty and ethical conduct. The underlying values, principles and norms for such ethical conduct include, among others, professionalism, fairness, accountability, credibility, diligence, respect for others, a sense of responsibility to the job, loyalty to the Company, primacy of Company’s interests over personal interests, respect for the law, staying above the temptation to utilize official position or knowledge for personal gain and a strong personal sense of right and wrong.

2. **Be fair and take action not to discriminate *inter alia* in the discharge of workplace responsibility**

Uphold the values of equality, tolerance, respect for others and the principles of equity & justice. In addition to adhering to the basic values and principles underlying ethical behaviour, Designated Personnel should also strive to abide by the principles of respect for all persons including those junior/subordinate to them or who are less advantaged; respect for individual dignity and rights. Discrimination, on the basis of race, gender, ethnicity, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

3. **Conflict of interest**

Every Board Member and Designated Personnel must act in the best interest of the Company and ensure that any business or personal association which he/she may have, does not involve a conflict of interest with the operations of the Company and his/her role therein. All actions, which may lead to a conflict of interest,

shall be reported to the Board and the advice of the Board sought. Actions arising out of such reporting shall be as mandated by the Board.

4. Compliance with Laws

All Designated Personnel shall comply with all the applicable provisions of existing local, state, national and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company. They should discharge their duties in this regard in a truthful, accurate, diligent and timely manner.

5. Honour Confidentiality

It shall be the responsibility of all Board Members and Designated Personnel to hold in strict confidence all information concerning the business of the Company, its Customers, suppliers etc., which is not in the public domain. The confidentiality of information pertaining to other entities with which the Company has business dealings should also be equally respected and protected. In situations where the performance of a specific job inherently requires sharing of information, including that of otherwise confidential nature or where certain information needs to be provided under the law, regulations or in the course of any official enquiry/query or on account of operational reasons or in similar situations, appropriate authorization should be obtained.

6. Protect assets of the Company

Board Members and Designated Personnel shall protect the assets, including physical assets, information and intellectual property rights of the Company and shall not use the same for personal gains.

All Designated Personnel shall ensure that all the assets of the Company, tangible (such as machinery, equipment, systems, facilities, computers, vehicles, materials etc.) as also intangible (such as information and communications systems and technology, proprietary information, relationships, brand equity and intellectual property etc.), must be used in the interest of the Company for the conduct of business and the purpose for which they have been provided and to prevent any misuse or misappropriation for personal or unauthorized use.

7. Prevention of Insider Trading

Board Members and Designated Personnel shall comply with the Code of Internal Procedures and Conduct for prevention of Insider Trading in dealing with Securities of the Company and the provisions of law relating thereto. No such person should use or share such information for making or giving advice on making investment decisions about the securities of the Company or of such entities with which it does business.

8. Use of Official position for personal gains

The Designated Personnel shall not use his official position in the Company to obtain any support for activities in which he/she may be involved in a personal capacity, including those of a non-commercial nature, e.g. cultural, literary, charity etc. from anyone with whom the Company has business dealings; nor should he/she use the official position, time or resources to pursue such activities, even if these may be desirable activities *per se*. The Designated Personnel should not seek or accept, directly or indirectly, any gift, donation or comparable benefits from anyone having business dealings with the Company, except as prescribed under the policy or rules of the Company.

9. Outside Directorship or Employment

No Designated Personnel shall accept any directorship or any employment, assignment or position of responsibility, including consultancy or freelance work, irrespective of whether it is with or without remuneration, in any Company or organization without specific approval.

10. Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work:

All Designated Personnel should strive to achieve the highest quality, effectiveness and dignity in their professional work. They are, therefore, expected to participate in setting standards for appropriate levels of competence and strive to achieve those standards. Aiming at excellence has to be an important obligation of a Designated Personnel.

11. Manage Personnel and resources to enhance the quality of working life:

Board Members and Designated Personnel would be responsible for ensuring human dignity of all Personnel, would encourage and support the professional development of the Personnel of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

12. Observe Corporate Discipline:

The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all Designated Personnel are expected to adhere to and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All Designated Personnel must learn to recognize the difference and appreciate why they need to observe them.

13. Conduct in a manner that reflects credit to the Company:

All Designated Personnel are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of the Company and the way in which it is perceived within the organization and by the public at large.

14. Accountability to the stakeholders of the Company:

All Designated Personnel are expected to remain accountable to all the stakeholders i.e. the customers, shareholders, vendors as also the Society, to whom the Company is responsible for its actions.

15. Identify, Mitigate and Manage Business Risks:

It is the responsibility of all Designated Personnel to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the Company-wide process of managing such risks, so that Company may achieve its wider business objectives.

16. Corporate Social Responsibility:

The Company needs to be specially committed to issues that go beyond the financial performance of the Company, such as those relating to corporate citizenship, health, safety, education, social justice, climate change and environmental sustainability, to name some. The operations and business conduct of the Company should, to the extent feasible, benefit the locations and communities in which they operate and must not be detrimental to them or to the local environment. Designated Personnel are responsible not just for carrying out the policies of the Company in this context as a part of their duties, but should also integrate these concerns in their working and contribute pro-actively in ensuring that the Company operates as a good and responsible corporate citizen.

17. Duty to uphold the Code

All Members of the Board and Designated Personnel of the Company shall uphold and promote the principles of this Code.

18. Effect of violations of this Code

Adherence of professionals to a Code of ethics is largely and generally a voluntary matter. However, if any Board Member and Designated Personnel does not follow this Code, the matter would be reviewed by the Board and its decision shall be final.

19. Continual Updation of this Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments/modifications shall take effect prospectively from the date stated therein.

20. Specific Additional Provisions for Board Members and Designated Personnel.

(i) As Board Members and Designated Personnel:

They shall undertake to actively participate in the meeting of the Board and/or Committees on which they serve.

(ii) As Board Members

They undertake to inform the Chairman & Managing Director / Company Secretary of any charges in their other Board positions, relationship with other business and other events / circumstances / conditions that may interfere with their ability to perform Board / Board Committee duties or may impact the judgement of the Board as to whether they meet the independence criteria of Listing Agreement with Stock Exchanges and the Guidelines of DPE.

**ACKNOWLEDGEMENT
OF RECEIPT OF
CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND DESIGNATED PERSONNEL**

I have received and read the Code of Conduct for the Board Members and the Designated Personnel of Balmer Lawrie & Co. Limited. I understand the standards and policies contained in the said Code and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code.

If I have questions concerning the meaning or application of the said Code, any policies of the Company or the legal and regulatory requirements applicable to my job, I am aware that I can consult the Company Secretary knowing that my questions or the referred matter shall be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

Signature.....

Name.....

Designation.....

Place:

Date:

AFFIRMATION

(By Board Members/Designated Personnel of the Company on annual basis by 30th April of every Financial Year)

I,.....(name).....
.....(designation), having read and understood the Code of Conduct for the Board Members of the Company and its Designated Personnel, hereby solemnly affirm that I have complied with and not violated any of the provisions of the Code during the year ended 31st March.....

Signature.....

Name.....

Designation.....

Place:

Date: