

INDO COUNT INDUSTRIES LIMITED



INDO COUNT CODE OF CONDUCT - APPLICABLE TO ALL DIRECTORS AND SENIOR MANAGEMENT

I. PREAMBLE

Integrity, transparency and trust form part of the core beliefs of all activities at Indo Count Industries Limited (**the Company**), which has been the basis of its growth and development. In terms of Clause 49 of the Listing Agreement, the Company has adopted this Code of Conduct for all Directors and Members of the Senior Management which shall include all Members of the Executive Management, all Heads of Departments, all Business Heads and all employees of the grade of Deputy General Manager and above of the Company, (hereinafter collectively referred to as '**Members of the Senior Management**' or '**Senior Management**').

The Code is based on three important principle of corporate behavior, that are, good corporate governance, good corporate citizenship and exemplary personal conduct.

This Code lays down general principles designed to guide the Senior Management in making ethical decisions. The Code is designed to provide a frame of reference against which to measure any activities. As it is not possible to address every possible situation that may arise, this Code should be construed and applied to further the said objective.

Employees should seek guidance when they are in doubt about the proper course of action in a given situation, as it is the ultimate responsibility of each employee to "**do the right thing**", a responsibility that cannot be delegated.

II. APPLICABILITY:

This Code of Conduct (hereinafter referred to as "**the Code**") shall be effective with immediate effect and shall be applicable and binding on the following personnel of Company hereinafter referred to as "**Members of the Senior Management**", for purpose this code.

1. All Directors
2. Key Managerial Personnel viz Company Secretary and Chief Financial Officer
3. All Members of the Executive Management
4. All Heads of Departments
5. All Business Heads
6. All Employees of the grade of General Manager and above.

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It is clarified that, wherever the term 'relative' appears in this Code, it shall mean and include the spouse, parents and children of the Members of the Senior Management.

III. WAIVER:

Any waiver of any provision of this Code of Conduct for a member of a Senior Management must be placed for approval before the Company's Board of Directors (or a Committee thereof), as appropriate.

IV. AFFIRMATION OF COMPLIANCE OF THE CODE

Every Member of the Senior Management shall affirm compliance with this Code on an annual basis and submit the **Annual Declaration** (in the format as per **Annexure II**) before April 21 every year. A declaration confirming the above signed by the Chairman of the Company shall be disclosed in the Annual Report of the Company every year.

Every member of the Senior Management shall sign and submit an Undertaking to the Company Secretary (in the format as per **Annexure III**) within seven working days of joining the Company.

V. VIOLATION

Each member of the Senior Management is the torch bearer of Indo Count's conviction in the Principles of Good Corporate Citizenship. It is one of the important responsibilities of the Member of the Senior Management to help enforce this Code in the best interest of the Company and all its stakeholders.

They should bring to the notice of the Company any observed material violation of this Code or any other policies or laws applicable to the business of the Company or any probability of occurrence of such violations.

Although it is not intended that disciplinary action would be appropriate for every violation of the provisions of this Code, whether disciplinary action is appropriate, and the degree of discipline to be imposed, will be determined through reasonable application of the text and will depend on factors such as the seriousness of the violation, intent of the concerned Member of the Senior Management, whether there is a pattern of improper activity, and effect of such improper activity on others or on the corporate governance system. A violation may result in corrective action up to and including termination from the employment.

Member of the Senior Management are expected to fully co-operate during any internal or external investigations relating to such violations.

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VI. AMENDMENT

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.

THE CODE OF CONDUCT FOR MEMBERS OF SENIOR MANAGEMENT

A. Good Corporate Governance – *Our Philosophy*

Indo Count is a professionally managed company and the core value underlying our corporate philosophy is “trusteeship”. The Company is a property of the all stakeholders and entrusted to us by the stakeholders in “trust” and we as professional managers are the “trustees” to the stakeholders.

It is a duty cast upon us that the Company is managed in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct in the best interests of the stakeholders, we serve.

The Company creates an environment for efficient conduct of the business and to enable the management to meet its obligations to all its stakeholders, including but not limited to, shareholders, customers, our employees and the community in which the Company operates.

B. Good Corporate Citizenship – *What we stand for*

1) Dealing with people in the Organisation – *We are a family*

All members of Senior Management are the guiding force of the Company. Every Member of the Senior Management shall conduct himself/herself in a professional manner and treat others with respect, fairness, and dignity. All members of Senior Management in their dealings with other employees shall uphold the values which are the core of our Philosophy – trust, teamwork, meritocracy, self-respect and human dignity. These values form the basis of our policies and processes.

Indo Count is committed to a work environment that is fair and non-discriminatory. The Company provides equal opportunity to all and does not discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason.

As a good corporate citizen the Company demands, demonstrates and promotes professional behaviour and respectful treatment of all its employees.

The Company encourages the use of Corporate Whistle Blower Mechanism, which provides employees of the Company with a platform to communicate to the management, concerns about unethical behaviour, actual or suspected fraud or violation of this Code, in a secure and confidential manner.

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2) Compliance with laws, rules and regulations – *We Respect Law at all times*

Compliance with all applicable laws and regulations must never be compromised. Additionally, employees shall adhere to internal rules and regulations as they apply in a given situation. Those internal rules are specific to the Company and may go beyond what is required by the law.

Whilst carrying out duties comply with and ensure compliance of legal/ regulatory requirements as applicable to the business of the Company and endeavour that before any directions are given or decisions are taken, relevant legal/ regulatory requirements are taken into account.

If any Member of the Senior Management becomes aware of any information that may be perceived to be violating any legal/ regulatory requirement as applicable to the business of the Company, which may subject the Company and/ or its officers to litigation/ prosecution, he/she shall forthwith bring the same to the notice of his/ her immediate superior.

If any Member of the Senior Management becomes aware of any suspected or actual instances of fraud, misconduct or irregularity or failure of internal control system of material nature, which is likely to impact the business interest of the Company, he/ she shall forthwith bring the same to the notice of the Managing Director of the Company/ Audit Committee Chairman.

3). Safety, health and environment policy – *Our priority and responsibility towards future generations*

Indo Count believes that health and safety of our employees contributes to our long-term success and businesses operate in a sustainable manner only if they achieve good environmental practices.

The Company should take the responsibility for maintaining a productive workplace by minimizing the risk of accidents, injury and exposure to health hazards. Good physical working conditions, high standards of hygiene and housekeeping are ensured.

Company should provide safety training covering new employees as well as periodic refresher training to inculcate safety awareness in employees and adopt the best practices. Company should adopt processes designed to prevent serious or fatal accidents.

We are committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods.

It is our priority to encourage our customers, suppliers and all business associates to do the same. This not only makes sound commercial sense for all but also it is also a matter of delivering on our duty towards future generations.

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C. Exemplary Personal Conduct – *Who we are*

4) Avoid Conflict of Interest - *Always act in the best interest of the Company*

The Senior Management should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof and obtain prior written approval from the applicable authority.

A conflict of interest may arise:

- a. When an a member of Senior Management takes action or has interests that may make it difficult to perform his or her work objectively and effectively;
- b. Entering into transactions or arrangements (directly or indirectly through relatives) with firms, companies or body corporate, for personal gain, which may conflict with the business interest of the Company.
- c. The receipt of any personal benefit by a member of his or her family from any supplier, customer or competitor of the Company unless disclosed to Applicable Authority;
- d. Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- e. The receipt of non-nominal gifts or excessive entertainment (worth over Rs. 1500/-)from any person/company with which the Company has current or prospective business dealings;
- f. Any investment interest by Senior Management or their relative, who is in possession of any unpublished price sensitive information, in any supplier, customer, or competitor of the Company;
- g. Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

While conducting business abroad, Members of the Senior Management are advised to seek legal advice or guidance before giving or offering or accepting any gifts, as the giving or offering or acceptance of gifts, may be construed to be unlawful under the local laws.

When a decision is taken in a matter where a member of Senior Management is concerned or interested, the concerned Member shall be required to take necessary action, as advised, to resolve / avoid the conflict. If a Member of the Senior Management fails to make the required disclosure/ remedial actions, the Company shall take a serious view of the matter and consider suitable disciplinary action against him/ her.

5) Use of Assets and Information – *Company property, leave it, where it belongs*

Every Member of the Senior Management shall:

- a. Ensure that facilities/amenities provided to him/her by the Company are used with proper care and diligence and that he/she endeavours to return possession thereof on his/ her resignation, termination or retirement from the services of the Company.

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- b. Not derive any benefit or assist any other person(s) to derive any benefit by virtue of having access to or possessing of price sensitive information relating to financial results or operations of the Company and/or of its subsidiary/ associate companies and/or of companies with whom the Company has business dealings, which are not in public domain and shall remain compliant with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, at all times.
- c. Ensure that the proprietary information and trade secrets belonging to the Company, including any information concerning pricing, products and services, internal systems, trademarks, copyrights and designs that are being developed, shall be held in strict confidence and utmost care shall be exercised to avoid inadvertent access and/ or its inappropriate disclosure. Such information shall be deemed to be the intellectual property of the Company and shall be used in the manner as required or mandated as a part of the duties assigned and not for personal gain.
- d. Ensure that confidentiality is maintained with regard to personal information relating to the customers of the Company and it is used in accordance with the policies framed by the Company and/ or as required by the concerned regulatory/ statutory authority.
- e. Such confidentiality shall be maintained by the Member of the Senior Management for a period of six months from the date of his resignation or retirement or earlier determination of services with the Company, as the case may be.

6) Transparency

Every Member of the Senior Management shall ensure that his/her conduct at workplace is transparent. Such transparency shall be brought about through adherence to policies, systems and processes framed by the Company.

7) Securities laws

- a. Every Member of the Senior Management shall ensure and take reasonable steps to protect the confidentiality of any unpublished price sensitive information relating to the business of the Company or its customers or companies with whom the Company has or is likely to enter into a material transaction and prevent its unauthorized access or disclosure, unless he/ she is required to do so under applicable laws or legal or regulatory process.
- b. No Member of the Senior Management shall in any manner whatsoever indulge in Insider Trading, whilst he/ she has access to unpublished price sensitive information relating to the Company or its customers or companies with whom the Company has or is likely to enter into a material transaction.

8) Lead by example

The Senior Management is the guiding force and sets the professional tone of the Company. Through, their words and deeds, the Senior Management conveys to the ecosystem what is acceptable and what is unacceptable.

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D. Duties of Independent Directors –

The Independent Directors shall:

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the company;
- 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;
- Keep themselves well informed about the company and the external environment in which it operates;
- Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

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- 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.

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ANNEXURE - II

ANNUAL DECLARATION

To,
The Chairman
Indo Count Industries Limited

Dear Sir,

Subject: Annual Declaration confirming compliance with the Code of Conduct

I, Mr./Mrs./Ms. _____, _____(designation) do and hereby acknowledge and confirm that during the financial year _____, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Members of Senior Management of the Company or any policies or legal/ regulatory requirement of the Company, directly or indirectly applicable to my job or responsibility.

Signature:

Name:

Designation:

Place:

Date:

Note:

1. Please sign and return this affirmation to the **Company Secretary before April 21, every year.**
2. This Code shall be applicable and binding on all Members of Senior Management, including directors, from the date of their appointment and this affirmation shall be valid for the said financial year.

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ANNEXURE - III

UNDERTAKING

To,

**The Chairman
Indo Count Industries Limited**

Dear Sir/Madam,

I, Mr./Mrs./Ms. _____, _____(designation) do and hereby acknowledge and confirm to have read and fully understood the contents of the Code of Conduct, applicable to the Members of Senior Management and the implications thereof.

I agree to abide by the provisions of the Code and/or any policies or legal/regulatory requirements of the Company, directly or indirectly applicable to my job or responsibility and follow the principles contained therein in letter and spirit and endeavour to make appropriate and timely disclosures as mandated under the Code.

Signature:

Name:

Designation:

Place:

Date:

Note:

1. Please sign and return this undertaking to the Company Secretary not later than 7 working days of joining the Company.
2. This Code shall be applicable and binding on all Members of Senior Management, including directors, from the date of their appointment.