

NMDC STEEL LIMITED

**REGD OFFICE: C/O NMDC IRON & STEEL PLANT, POST: NAGARNAR
DISTRICT BASTAR, PIN – 494001, CHHATTISGARH.
CIN: U27310CT2015GOI001618**

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

**{PURSUANT TO REGULATION 17(5) OF SEBI (LISTING OBLIGATIONS
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015}**

**(As approved by the Board of Directors of the Company in their
meeting held on 25.01.2023)**

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF NMDC STEEL LIMITED

1. Introduction:

- 1.1 This code of Conduct shall be called "Code of Conduct for Board Members and Senior Management Personnel" of NMDC Steel Limited (hereinafter referred to as the "NSL" or "the Company" and this Code of Conduct as "this Code").
- 1.2 The existing code of conduct for Board Members and Senior Management Personnel is amended in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and as per the provisions of the Companies Act, 2013.
- 1.3 This Code envisages that the Board of Directors of the Company and Senior Management Personnel should act within the framework of and in compliance with the applicable laws.
- 1.4 The Board Members and Senior Management Personnel are expected to familiarize themselves with this Code and to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- 1.5 Any subsequent amendments to the Regulations, which make any of the clauses of the Code inconsistent, the Regulations will prevail over the Code, even if not incorporated in this Code, and the relevant clauses of the Code would be amended / modified in due course so as to make it consistent with the Regulations.

2 Purpose of the Code:

The prime purpose of the Code of Conduct is to create an environment where all the Board Members and Senior Management Personnel of the Company maintain and comply to the ethical standards and ensure transparent process in managing the affairs of the Company. This code of conduct will act as guideline to all as under:

- i. Promote honest and ethical conduct.
- ii. Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted;
- iii. Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- iv. Assure the proper use of the Company's assets.

This Code does not specifically address every potential form of unacceptable conduct, and it is expected that the Board Members and Senior Management Personnel of the Company will exercise good judgment in compliance with the principles set out in this Code. The Board Members and Senior Management Personnel of the Company have a duty to avoid any circumstance that would violate the letter and spirit of this Code.

3 Definitions & Interpretations:

- 3.1 The term “Company” shall mean “NMDC Steel Limited”
- 3.2 The term "Board /Board of Directors" shall mean collective body of the Directors of the Company.
- 3.3 The term “Board Members” shall mean the Members on the Board of Directors of the Company.
- 3.4 The term “Whole-time Directors” shall mean the Board Members who are in whole-time employment of the Company.
- 3.5 The term “Non Whole-time Directors” shall mean the Non-Executive Directors/Board Members who are Part-time Directors and not in whole time employment of the Company, which term also include the Institutional Directors whether the institution is an investing institution or lending institution.
- 3.6 The term “Independent Director” shall mean an Independent Director as defined in Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as amended from time to time.
- 3.7 The term “Senior Management Personnel” mean officers/personnel/employees of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Functional Directors/whole time Directors including Chief Vigilance Officer, all the Executive Directors, Functional Heads of Departments/Offices and include Company Secretary and Chief Financial Officer.
- 3.8 The term “Relative” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specifications of Definitions Details) Rules, 2014 and as amended from time to time. **(Refer Appendix-I)**
- 3.9 The term “Conflict of Interest” means where the interests or benefits of one person or entity interferes with the interests or benefits of the Company.
- 3.10 In this “Code” words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

4. Applicability:

- 4.1 This “Code” shall be applicable to the following persons of the Company:
 - (a) All Members of the Board of Directors of the Company.
 - (b) All Senior Management Personnel of the Company.
- 4.2 The Board of Directors and Senior Management Personnel should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

5. Display of the code on the website of the Company:

This code of conduct and any amendments thereto shall be posted on the website of the Company.

6. Waiver of the code:

No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board Members and by the Chairman-cum-Managing Director in case of Senior Management Personnel.

7. Key Requirements/Fair Dealing:

The Board Members and Senior Management Personnel of the Company are to deal with others in a fair manner. One of the corner stone of the philosophy of the Company is "Respect for Individual". Non-compliance will make individual outcaste from the value system and also attract disciplinary action.

The Board Members and Senior Management Personnel shall act within the authority conferred upon them and in the best interests of the Company and observe the following:

- a) Shall act with utmost care, skill and diligence in relation to all dealings for the Company;
- b) Shall act in utmost good faith and adopt highest standards of personal and professional integrity, fairness, honesty, probity and ethical conduct and fulfill the fiduciary obligations without allowing their independence of judgment to be subordinated or compromised;
- c) Shall not enter into any contract or arrangement without obtaining the approval of the Audit Committee and/ or the Board and where required, approval by an ordinary resolution in the general meeting for related party transactions as mentioned in **Appendix-II**;
- d) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company;
- e) Shall avoid any dealing/relationship with a Contractor or Supplier (either directly or indirectly) that could compromise the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision required to be made by the Board Members/ Senior Management Personnel/the Company;
- f) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company or that adversely affects the performance of duties with the company;
- g) Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is

disclosed fully in writing to the Board of Directors in case of Board Members and the Chairman-cum-Managing Director for further directions in the matter;

- h) Shall not seek or accept, directly or indirectly any gift from anyone having business dealings with the Company, except for nominal value, which are customarily given and are of commemorative nature for special events and should never be of a kind that could create an appearance of impropriety, inducement or in any manner influence a business decision;
- i) 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 or any foreign country;

Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member and Senior Management Personnel, 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;

- j) Shall not commit any offence involving moral turpitude;
- k) Shall follow the Risk Assessment and Risk Mitigation framework/policy established by the Company;
- l) Shall not use IT system of the Company for purposes that may be regarded as derogatory, defamatory or obscene or otherwise considered irresponsible and/or compromise the protection and security of IT systems;
- m) Shall be accountable to the stakeholders i.e. shareholders, debtors, creditors, contractors, suppliers, customers, Government etc. in discharge of the duties of the Company;
- n) Shall act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
- o) Shall act in accordance with and keeping in mind the Vision, Mission and Values of the Company;
- p) To promote alertness & awareness for safety and the protection of human life/property and environment;
- q) Shall exercise their responsibilities in a bona fide manner in the interest of the Company and act objectively and constructively while exercising their duties;
- r) Shall not allow any extraneous considerations that could vitiate their 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;

- s) Shall not abuse their 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;
- t) Shall assist the Company in implementing the best corporate governance practices;
- u) Shall become and remain familiar with Company's business and the economic and competitive environment in which the Company operates and understands Company's business plan, strategies and objectives;
- v) Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of
 - (i) the trading in the shares of the Company
 - (ii) transactions having personal interest and related party transactions that are required to be made under laws, rules and regulations and Internal Code of Conduct for Prevention of Insider Trading in dealing with Securities of NMDC Steel Limited.

Any information concerning the Company's business, its customers, suppliers, contractors, etc., which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Board Member and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

- w) Shall immediately bring to the notice of the Board about any unethical behavior, actual or suspected fraud or violation of the company's code of conduct;

8. Duties of Directors:

The Director(s) of the Company:

- i) shall act in accordance with the articles of the company, subject to the provisions of the Companies Act, 2013 as amended from time to time;
- ii) shall 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;
- iii) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- iv) shall 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;
- v) shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;
- vi) shall not assign his office and any assignment so made shall be void;

9. Duties of Independent Directors:

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) 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;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) 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;
- 10) 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;
- 11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) 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.

10. Proper Use of Company Assets:

The Company's assets should be used only for the legitimate business purposes of the Company. The Board Members and Senior Management Personnel of the Company are prohibited from using Company assets, confidential or proprietary information or position and intellectual rights for personal gains.

11. Discrimination and Harassment:

The Company is committed to providing a workplace free of discrimination and harassment based on race, color, religion, age, gender, nationality, origin, disability, veteran status, or any other biases. It would be the endeavor of every Board Member and Senior Management Personnel of the Company to see that work place is free from such environment.

If any Officer or Associate is discriminated he/she may lodge a complaint of discrimination or harassment to the Head of the Personnel Department / concerned Director of the Company.

12. Confidential Information:

Any Confidential information concerning the Company's business, its customers, suppliers etc., be it technical, operational or commercial must be considered confidential and held in confidence.

No Board Member and Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized.

Provided that Board Members and Senior Management Personnel shall in consultation/under intimation to the Chief Investor Relations Officer of the Company be free to disclose such information, which is:

- a) part of the public domain at the time of disclosure; or
- b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Ministry of Steel.

13. Conflict of Interest:

The Board Members and Senior Management Personnel of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, if any, where they or any of their relatives have personal interest that may have a potential conflict with the interest of the company at large.

Conflict of interest here relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

The Directors and Senior Management of the Company shall not be present at the meeting where discussion on the resolution relating to contract or arrangement with a related party is being taken.

Any employee including key managerial personnel or Director or Promoter of the Company shall not enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.

14. Compliance with Laws, Rules and Regulations:

Any transaction undertaken in the name of the Company that would violate the laws of the land is prohibited. Particular attention is directed to the laws, rules and regulations relating to discrimination, securities, anti-trust, civil rights, and transactions with foreign officials, safety and the environment. If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from the concerned Director/Chairman-cum-Managing Director of the Company.

The Board Members and Senior Management Personnel shall comply with all laws, rules and regulations as applicable including those relating to the business of the Company.

15. Prevention of Insider Trading:

The Board Members and Senior Management Personnel shall comply with the Internal Code of Conduct for Prevention of Insider Trading in dealing with securities of the Company.

16. Corporate Disclosure Practices:

The “Code of Practices and Procedures for fair disclosure” regulates disclosure of “Unpublished Price Sensitive Information”.

The Chief Investor Relations Officer is responsible for continuous disclosure requirements, overseeing and coordinating disclosure of “Unpublished Price Sensitive Information” to stock exchanges, analysts, shareholders and media including vetting of the text of the information to be posted on the Company’s website with the approval of the Director (Finance) and/ or the Chairman-cum-Managing Director.

No person except the Chief Investor Relations Officer or those authorized by the Chief Investor Relations Officer, shall disclose any information relating to the Company’s Securities to analysts/research persons and institutional investors.

17. Related Party Disclosures:

The Board Members and the Senior Management Personnel shall make prior disclosure of related party transaction/s to the Audit Committee and the Board of Directors and shall enter into any contract or arrangement after obtaining the approval of the Audit Committee and/ or the Board and where required, approval by an ordinary resolution in the general meeting for related party transactions.

18. Restrictions to serve other Organizations:

Senior Management Personnel of the Company is expected to devote his or her full time and efforts during normal working hours to the service of the Company. No such person shall engage in any business or secondary employment that interferes with his or her obligations and responsibilities to the Company.

Senior Management Personnel of the Company will not serve on the Board of Directors of any corporation not owned or controlled by the Company, other than a non-profit,

charitable, religious, civic or educational organization, without the prior written approval of the Chairman-cum-Managing Director of the Company.

19. Political Contributions:

Corporate funds, credit, property or services shall not be used, directly or indirectly, to support any political party or candidate for public office, or to support or oppose any ballot measure.

20. Gifts and Donations:

The Board Members and Senior Management Personnel of the Company shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favor in whatsoever form howsoever described by the customers, vendors, contractors, consultants, etc., that is perceived as intended and should never be of a kind that could create an appearance of impropriety, inducement or in any manner directly or indirectly to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud. Save and except nominal gifts which are customarily given and are of commemorative nature for special events or associated with festivals.

21. Acknowledgement of receipt of the code:

All Board Members and Senior Management Personnel shall acknowledge the receipt of this code or any modification(s) thereto, in the acknowledgement form annexed to this Code (**Appendix-III**) indicating that they have received, read and understood, and agreed to comply with the code and forward the same to the Company Secretary.

New Directors will sign such a declaration (**Appendix-III**) at the time of assuming their Office of their directorship position.

22. Compliance of Code of Conduct:

- i) Company Secretary shall be the Compliance Officer for the purpose of this code.
- ii) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.
- iii) Compliance Officer shall report breach of this code, if any, which comes to his/her notice to the:
 - i. Board in case of all Board members and
 - ii. Chairman-cum-Managing Director in case of Senior Management Personnel
- iv) All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code.
- v) The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

23. Annual Compliance Reporting:

- 23.1 In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time, all Board Members and Senior Management Personnel shall affirm compliance with this Code on an annual basis (within 30 days of close of every financial year). The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman-cum-Managing Director. Pro-forma of Annual Compliance Report is at **Appendix-IV**. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Board Members and Senior Management Personnel leave the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with NMDC Steel Limited.
- 23.2 The Chairman-cum-Managing Director of the Company and the Director (Finance) shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code.

24. Penalty for breach of this code by:

- i) Senior Management Personnel shall be determined by the Chairman-cum-Managing Director;
- ii) The Whole-time Directors and Non Whole-time Directors, the same shall be examined by the Board of Directors of the Company;
- iii) Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

25. Clarifications regarding the Code:

Any member of the Board or Senior Management personnel requiring any clarification regarding this Code may contact Company Secretary/ any officer specifically designated by the Board of Directors.

EXTRACT OF SECTION 2 (77) OF THE COMPANIES ACT, 2013

Definition of “relative”, with reference to any person, means anyone who is related to another, if

- (ii) they are members of a Hindu Undivided Family;
- (iii) they are husband and wife; or
- (iv) one person is related to the other in such manner as may be prescribed*;

***LIST OF RELATIVES AS PER RULE 4 OF THE COMPANIES (SPECIFICATION OF DEFINITIONS DETAILS) RULES, 2014**

- (i) Father (including step-father)
- (ii) Mother (including step-mother)
- (iii) Son (including step-son)
- (iv) Son's Wife
- (v) Daughter
- (vi) Daughter's Husband
- (vii) Brother (including step-brother)
- (viii) Sister (including step-sister)

Definition of related party according to Section 2 (76) of the Companies Act, 2013 read with Rule 3 of the Companies (Specifications of Definitions Details) Rules, 2014:

“Related Party”, with reference to a Company, means —

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any body corporate which is—
 - (A) a holding, subsidiary or an associate company of such company; or
 - (B) a subsidiary of a holding company to which it is also a subsidiary; or
 - (C) an investing company or the venturer of the company;Explanation— For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.]
- (ix) such other person as may be prescribed;

As per Rule 3 of the Companies (Specifications of Definitions Details) Rules, 2014, a Director other than an Independent Director or key managerial personnel of the holding Company or his relative with reference to a Company shall be deemed to be a related party.

Definition of related party according to Regulation 2(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Related Party means a related party as defined under Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards:

Provided that any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be deemed to be a related party.

Related Party Transaction according to Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A related party transaction means a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged. "Explanation: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Extract of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

- 1) Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to—
 - a) sale, purchase or supply of any goods or materials;
 - b) selling or otherwise disposing of, or buying, property of any kind;
 - c) leasing of property of any kind;
 - d) availing or rendering of any services;
 - e) appointment of any agent for purchase or sale of goods, materials, services or property;
 - f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
 - g) underwriting the subscription of any securities or derivatives thereof, of the company:

*Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a resolution:

*Provided further that no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party:

***Note** – *First and second proviso to sub-section (1) of Section 188 shall not apply to a Government Company in respect of contracts or arrangements entered into by it with any other Government Company; (Ministry of Corporate Affairs notification dated 5 June 2015- Exemptions to Government Companies)*

Provided also that nothing contained in the second proviso shall apply to a company in which ninety per cent. or more members, in number, are relatives of promoters or are related parties.

Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Explanation— In this sub-section,—

- a) the expression “office or place of profit” means any office or place—
 - (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
 - (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- b) the expression “arm's length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

(3) For the purposes of first proviso to sub-section (1) of section 188, except with the prior approval of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into,—

(a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188, with criteria as mentioned below –

- (i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
- (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
- (iii) leasing of property of any kind amounting to ten percent or more of the net worth of the company or ten percent or more of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;
- (iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

Explanation — It is hereby clarified that the limits specified in sub-clauses (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of subsection (1) of section 188; or

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent. of the net worth as mentioned in clause (g) of subsection (1) of section 188.

Explanation. (1) The Turnover or Net Worth referred in the above sub-rules shall be computed on the basis of the Audited Financial Statement of the preceding Financial year.

(2) In case of a wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and the holding company.

(3) The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars, namely:—

- (a) name of the related party ;
- (b) name of the director or key managerial personnel who is related, if any;
- (c) nature of relationship;
- (d) nature, material terms, monetary value and particulars of the contract or arrangement;
- (e) any other information relevant or important for the members to take a decision on the proposed resolution.

ACKNOWLEDGEMENT FORM

I, have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL" ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code at all times. If I have any clarifications/questions concerning the meaning/definition or application of the Code, I understood that I can consult the Company Secretary/Compliance Officer and that my clarifications/questions/requests or reports to these sources will be maintained in confidence.

Signature: _____

Name: _____

Designation: _____

Date: _____

Place: _____

This acknowledgement form shall be handed over to the Board and Company Affairs Department.

ANNUAL COMPLIANCE REPORT

Ido hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL and there is no violation of any of the compliances under the said Code by the undersigned during the financial year ending 31st March _____. Further, I do affirm that any change(s) in the status concerning the Code will be intimated immediately to the concerned authorities of the Company.

Signature: _____

Name: _____

Designation: _____

Date: _____

Place: _____

This report shall be handed over to the Board and Company Affairs Department.