

**INDOSOLAR LIMITED**

**CODE OF CONDUCT**

**FOR**

**BOARD MEMBERS AND SENIOR MANAGEMENT**

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## **INDOSOLAR LIMITED**

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### CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

#### **1. INTRODUCTION**

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by **INDOSOLAR LIMITED** (hereinafter referred to as "the Company") in compliance with the provisions of Regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct for BOARD MEMBERS AND SENIOR MANAGEMENT" of **INDOSOLAR LIMITED** hereinafter referred to as "the Company".

The Code applies to the Members of Board of Directors (hereinafter referred to as "Board Members) and Members of the Senior Management Team of the Company one level below the Executive Directors, viz. Business Heads, Unit Heads, Presidents, Joint Presidents and all other executives having similar or equivalent rank in the Company and the Company Secretary of the Company (hereinafter referred to as "Senior Managers").

The old code of conduct effective from the first day of April, 2010 was amended w.e.f. 15<sup>th</sup> May, 2015 stands further amended w.e.f 25<sup>th</sup> January 2016.

#### **2. DEFINITIONS AND INTERPRETATION**

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

- (i) "**Board / Board of Directors**" shall mean the board of directors of the Company.
- (ii) "**Director**" shall mean a member on the Board, including, without limitation, executive directors, non-executive directors, directors nominated by the promoters of the Company and Independent Directors.
- (iii) "**Conflict of Interest**" means where the interests or benefits of any person or entity conflict with the interests or benefits of the Company.
- (iv) "**Independent Director**" shall mean an independent director appointed in accordance with section 149(5) of the Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- (v) "**Listing Agreement**" means the listing agreement between the Company and the stock exchanges on which it is listed.
- (vi) "**Relative**" shall mean 'relative' as defined in section 2(77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014. (Refer **Appendix –I**)
- (vii) "**Senior Management**" shall mean personnel of the Company who are members of its core management team excluding the Board, i.e. all members of the management one level below the Executive Directors, including all functional head.

2.2. In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

### **3. APPLICABILITY**

This Code shall be applicable to the following persons:

- a) Board Members, and
- b) Senior Management.

### **4. CONDUCT KEY REQUIREMENTS**

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

- i) Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
- ii) Shall act with utmost care, skill, diligence and integrity.
- iii) Shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
- iv) 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.
- v) Shall make disclosures to the Board relating to all material financial and commercial transactions, if any, where they have personal interest, that may have a potential conflict with the interest of the company at large.
- vi) Shall not, in his/her official capacity, enter into business with (a) a relative or (b) a Private Limited Company in which he/she or his/her relative is a Member or a Director (c) a Public Limited Company in which he/she or his/her relative holds 2% or more paid-up share capital and (d) with a firm in which the relative is a partner, except with the prior approval of the Board unless otherwise permitted by law.
- vii) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company.
- viii) Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members and Senior Management/ Company.
- ix) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
- x) 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 of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.
- xi) Shall not seek or accept, directly or indirectly any gift from anyone having business dealings with the Company.

- xii) 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 a Board Member and Senior Management, which are purely factual in nature and are not considered as confidential, in his/her official capacity or in due performance of the duties assigned to him/her.

- xiii) Shall not commit any offence involving moral turpitude.

## **5. 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 the 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 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.

## **6. SPECIFIC DUTIES OF INDEPENDENT DIRECTORS**

The Independent Directors shall-

- i. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- ii. 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.
- iii. Strive to attend all meetings of the Board of Directors and the Board Committees of which he is a member.
- iv. Participate constructively and actively in the Committees of the Board in which

they are Chairpersons or members.

- v. Strive to attend the General Meetings of the Company.
- vi. 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.
- vii. Keep themselves well informed about the Company and the external environment in which it operates.
- viii. Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.
- ix. 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.
- x. 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.
- xi. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- xii. Acting within his authority, assist in protecting the legitimate interests of the Company, Shareholders and its employees.
- xiii. 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.

## **7. COMPLIANCE OF LAW / RULES & REGULATIONS**

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

## **8. PREVENTION OF INSIDER TRADING**

All Directors and Senior Management Personnel should comply with 'Code of Conduct for Prevention of Insider Trading in Shares of the Company' circulated by the Company, the listing agreement and all insider-trading guidelines issued by the Securities Exchange Board of India.

## **9. CORPORATE DISCLOSURE PRACTICES**

The Code of Corporate Disclosure Practices regulates disclosure of "Unpublished Price Sensitive Information". The Public Spokesperson is responsible for overseeing and coordinating disclosure of "Unpublished Price Sensitive Information" to stock exchanges, analysts, shareholders and media including drafting of the press release or the text of the information to be posted on the Company's web-site/released to the press with the approval of the Board/Committee. No person except the Public Spokesperson or those

authorized by the Public Spokesperson, shall disclose any information relating to the Company's Securities to analysts/research persons and institutional investors. The Board Members and Senior Management shall comply with the Code of Corporate Disclosure Practices.

#### **10. RELATED PARTY DISCLOSURES**

The Board Members and Senior Management shall make disclosure of related party transactions to the Board of Directors in the format provided under Accounting Standard 18 (AS-18) (**Appendix-II**) issued by the Institute of Chartered Accountants of India (ICAI) and/or any modification or re-codification thereof.

#### **11. CONFIDENTIALITY OF INFORMATION**

Subject to the Code of Corporate Disclosure Practices as may be prevalent in the Company from time to time any information concerning the Company's business, its customers, suppliers, etc. to which the Board Members and Senior Management have access or which are in their possession, must be considered confidential and held in confidence. No Board Member and Senior Management 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 shall in consultation/under intimation to the Public Spokesperson of the Company be free to disclose such information which is:

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

#### **12. PROTECTION OF ASSETS**

The Board Members and Senior Management shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

#### **13. AMENDMENTS TO THE CODE**

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.

#### **14. PLACEMENT OF THE CODE ON WEBSITE**

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Code and any amendment thereto shall be hosted on the website of the Company.

## **15. ANNUAL COMPLIANCE REPORTING**

All Board Members and Senior Management shall affirm compliance of this Code on an Annual Basis to the Company Secretary. The Annual Report of the company shall contain a declaration to this effect signed by the Chairman & Managing Director. A Performa of Annual Compliance Report is at **Appendix-III**. If any Director/ Senior Management Personnel leaves the Company any time during a financial year, he/she shall send a communication to Company Secretary affirming compliance of the Code till the date of his/her association with company.

The Managing Director of the Company and the Whole Time 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.

## **16. ENFORCEMENT OF CODE OF CONDUCT**

Each Board Member and Senior Management shall be accountable for fully complying with this Code.

## **17. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE**

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

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EXTRACT OF SECTION 2(77) OF THE COMPANIES ACT, 2013 & Rule 4 of The Companies (Specification of definitions details) Rules, 2014,

As per Sec 2(77) Meaning of "relative"

'Relative', with reference to any person, means anyone who is related to another, if—

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

As per rule 4 of The Companies (Specification of definitions details) Rules, 2014, a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

1. Father (including step-father)
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter
6. Daughter's husband
7. Brother (including step-brother)
8. Sister (including step-sister)

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The Board Members and Senior Management shall disclose the following, in respect of all transactions with related parties, as covered in AS-18 issued by ICAI:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion ;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Board Members and Senior Management:

- purchases or sales of goods (finished or unfinished );
- purchases or sales of fixed assets;
- rendering or receiving of services;
- agency arrangements;
- leasing or hire purchase arrangements;
- transfer of research and development;
- licence agreements;
- finance (including loans and equity contributions in cash or in kind);
- guarantees and collaterals; and
- management contracts including for deputation of employees.

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ANNUAL COMPLIANCE REPORT

I \_\_\_\_\_ do 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 during the financial year ending 31<sup>st</sup> March, 20\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

\* To be submitted by 30<sup>th</sup> April each year.

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ACKNOWLEDGEMENT FORM

I \_\_\_\_\_ have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT" ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_