

**CODE OF CONDUCT  
FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT  
OF NIRMA LIMITED AND ITS SUBSIDIARIES:**

The Board of Directors and Senior Management of Nirma Limited and/ or its subsidiaries, as the context may require or mean, shall subscribe to the following Code of Conduct adopted by the Board.

**1. DEFINITION**

- 1.1 **"Board"** shall mean board of directors of Nirma Limited and/ or its subsidiaries, as the context may require or mean.
- 1.2 **"Company"** shall mean Nirma Limited and/ or its subsidiaries, as the context may require or mean.
- 1.3 **"Code"** shall mean this Code of Conduct.
- 1.4 **"Senior Management"** shall mean the employees or officers of Nirma Limited and/ or its subsidiaries, as the context may require or mean, having designations of Sr. Manager and above.
- 1.5 **"Management"** shall collectively mean the Board and Senior Management.
- 1.6 **"GAAP"** shall mean generally accepted accounting principles applicable to Indian companies in respect of financial reports prepared and presented as per applicable laws.

**2. INTRODUCTION**

This Code has been adopted by the Company to comply with the applicable rules of the stock exchanges where securities of the Company are listed.

The principal duty of the Board, along with the Senior Management, is to ensure that the Company is well managed and recognize that their primary responsibility is to the shareholders of the Company. The Board is entrusted with the responsibility of making decisions on several matters relating to the Company.

**3. MAINTENANCE OF ACCOUNTS AND RECORDS**

- 3.1 Senior Management shall prepare and maintain true and fair accounts and records of affairs of the Company.
- 3.2 The accounts and records shall be maintained in accordance with the applicable accounting and financial reporting standards, GAAP, laws and regulations of the country in which the Company operates its business affairs.
- 3.3 Internal accounting and audit procedures shall fairly and accurately reflect all the business transactions and disposition of assets of the Company.
- 3.4 There shall be no wilful omissions of any Company transactions from the books and records, no advance, income recognition, and no hidden bank account and funds.
- 3.5 Any wilful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of this Code and apart from inviting appropriate civil or criminal action under the relevant laws as applicable.

**4. PROVIDE QUALITY PRODUCTS AND SERVICES**

Management shall be committed to supply goods and services of the promised quality & standards, backed by after sales service consistent with the requirements of the consumers.

**5. PROVIDE SAFETY AND HEALTHY WORKING ENVIRONMENT**

- 5.1 Management shall strive to provide a safe working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the maintenance of the environment of the territory in which it operates.
- 5.2 Management will be committed to prevent wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

## **6. ENHANCE SHAREHOLDERS VALUE**

- 6.1 Management shall be committed to provide good services to the shareholders and stakeholders of the Company to enhance their value.
- 6.2 Management is committed to comply with applicable rules, regulations and laws that govern shareholders' rights.
- 6.3 Board shall duly and fairly inform its shareholders all relevant aspects of the Company's business that are required to be disclosed in accordance with applicable rules and regulations.
- 6.4 Management shall be responsible for the implementation of and compliance with this Code in his professional environment. Failure to adhere to the code could attract the consequences, including termination of employment, as applicable.

## **7. PROFESSIONAL INTEGRITY, HONESTY AND ETHICAL CONDUCT**

- 7.1 Senior management is 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 offsite locations where the Company's business is being conducted or at any other place where they are representing Company.
- 7.2 Honest conduct is conduct that is free from any fraud or deception. Ethical conduct is ethical handling of actual or apparent conflicts of interest between personal and professional relationship.
- 7.3 Senior management shall ensure, at all times, the integrity of data or information furnished by him or her to the Company.
- 7.4 Senior management Company shall promptly report to the management any actual or possible violation of this code, or an event he or she becomes aware of that could affect the business or reputation of his/her or any other Group company.

## **8. COMPLIANCES**

- 8.1 Management shall comply with all the applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates.
- 8.2 If the ethical and professional standards set out in the applicable laws and regulations are below that of the code, then the standards of the code shall prevail.

## **9. BRANDS AND INTELLECTUAL PROPERTY OF THE COMPANY**

- 9.1 Manuals, codes and agreements of the Company shall govern the use of the Company name and trademarks owned by the Company.
- 9.2 The use of the Company brand is permitted only by the Board of Directors of the Company.
- 9.3 All documents, processes, manuals, literature, systems etc. or any other intellectual property developed or created by the Management during the association of the Management with the Company are sole property and intellectual property rights of the Company.

## **10. LEGAL COMPLIANCES**

- 10.1 The Officers shall comply with all applicable government laws, rules and regulations applicable to the Company.
- 10.2 The employees and directors shall acquire appropriate knowledge of the legal requirements relating to their duties to enable themselves to recognize potential dangers. Violations of applicable governmental laws, rules and regulations may subject them to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the company to civil or criminal liability or the loss of business.

## **11. NON ALIGNMENT WITH POLITICAL PARTIES**

- 11.1 The Company and its Officers shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India.

- 11.2 The Company and its Officers shall not support, directly or indirectly, any specific political party or candidate for political purposes.

The Company may contribute any amount or amounts, directly or indirectly, to any political party or for any political purpose to any other person as per the limit prescribed under the Companies Act, 1956.

## **12. EQUAL OPPORTUNITY**

- 12.1 The Company shall provide equal opportunity to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, material status, sex, age, nationality, disability and veteran status.
- 12.2 Employees of the Company shall be treated with dignity and in accordance with the Company policy to maintain a work environment, free from any harassment, whether physical, verbal or psychological.

## **13. GIFTS AND DONATIONS**

- 13.1 The Management shall neither receive nor offer or make, directly or indirectly, any illegal payments, remunerations, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business.
- 13.2 However, the Management may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events provided the same shall be disclosed appropriately to the Board.

## **14. COMPETITION**

- 14.1 The Company strives to outperform its competition fairly and honestly. No Member shall take unfair advantage of any information or indulge in unfair practice for the benefit of the Company.
- 14.2 Company shall not engage in activities, which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

## **15. CO OPERATION TO GROUP AND ASSOCIATES COMPANIES**

The Management shall cooperate with other group companies and associates companies by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholders value. In the procurement of products and services, the Company shall give preference to another group company or associate company as long as it can provide these on competitive terms relative to third parties.

## **16. REPRESENTATION TO THE PUBLIC AND STAKEHOLDERS**

- 16.1 The Management honours the information requirements of the public and the stakeholders of the Company.
- 16.2 In all its public appearance with respect to disclosing Company and business information to public constituencies such as the media, the financial community, employees and shareholders, only specifically authorised directors and/or officer shall represent the Company.
- 16.3 It will be the sole responsibility of these authorised representatives to disclose information of the Company.

## **17. CONCURRENT EMPLOYMENT**

The Management shall not, without the prior approval of the authorised officer of the Company, accept employment or a position of responsibility (such as a consultant or a director) with any other Company, nor provide "freelance" services to anyone.

## **18. ASSIGNMENTS OUTSIDE THE COMPANY**

With the prior approval of the Board, the Management may take the position of office bearer of a professional body, give talks at programmes, be a part-time faculty at recognised

degree or diploma programmes, and publish a book or a paper. It is expected that the Management does it in his own time and with his own resources. Further, such an association should not result in the Management divulging Company's confidential and proprietary information or she/he neglecting his/her professional duties of the Company.

**19. CORPORATE OPPORTUNITIES**

The Management shall not exploit for their own personal gain, opportunities that are discovered through the use of Company property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board and the Board declines to pursue such opportunity.

**20. CONFIDENTIALITY**

The Management shall not disclose/reveal any facts/figures/information/trade secrets or confidential documents in written/verbal form, obtained during the course of their employment, to any person(s)/authority/organization/statutory body unless required by law and/or with specific written permission of the Company.

**21. CONFLICT OF INTEREST**

A conflict of interest arises when personal interest interferes in any way with the interest of the Company.

21.1 Management shall not engage in any business relationship or activity, which might detrimentally conflict with the interest of the Company or the group.

21.2 Notwithstanding that conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the Company's management.

21.3 It is also incumbent upon every Employee to make a full disclosure of any interest which the Employee or the Employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor or has other business dealings with the Company.

21.4 Every Employee who is required to make a disclosure as mentioned above shall do so, in writing, to his or her immediate superior, who shall forward the information alongwith comments to the person designated for this purpose by the Managing Director, who in turn will place it before the Board of Directors/executive committee appointed by the board and, upon a decision being taken in the matter, the Employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

21.5 If an Employee fails to make a disclosure as required herein, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the Employee, the management would take a serious view of the matter and consider suitable disciplinary action against the Employee concerned.

**22. SALE AND PURCHASE OF SECURITIES OF THE COMPANY**

22.1 Employees or their immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constitutes insider information.

22.2 Employees shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the Company on which such insider information has been obtained.

**23. PROTECTING COMPANY'S PROPERTY**

The assets of the Company should not be misused but employed for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as

intangible assets such as proprietary information, relationships with customers and suppliers, etc.

**24. CITIZENSHIP**

Senior management shall in his or her private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the Company or the group and provided that the same have been appropriately disclosed by the employee or the officer and prior written approval of the Managing Director or CEO has been obtained. If person belonging to Senior management cadre fails to make a disclosure as required herein, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee or the officer, the management would take a serious view of the matter and consider suitable disciplinary action against the employee or the officer.

**25. POWER OF ATTORNEY**

All authorisations/powers of attorney, whether joint or several, issued by the Company in favour of the Management shall stand revoked effective from the date of separation of the Management from the services of the Company. Even while serving the notice period, such Management will use these authorisations when must, with due discretion and sparingly. Upon such separation, the Management shall immediately arrange to return all such documents/authorisations, both originals and copies. If for any reason such person fails to return such information/documents/data etc., the Company will have a right to withhold his/her dues from the Company.

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