



HINDOOSTAN MILLS LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1. INTRODUCTION

- 1.1.1 This Code shall be called “The Code of Conduct for the Board Of Directors and Senior Management Personnel” (“this Code”) of Hindoostan Mill Limited (hereinafter referred to as “the Company”).
- 1.1.2 This Code is in alignment with Company’s Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- 1.1.3 This Code for Board Members has been framed specially in compliance of the provisions of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015
- 1.1.4 The purpose of the Code is to deter wrongdoing and promote ethical conduct. The matters covered in this Code are of utmost importance to the Company, its shareholders and business partners. Further, these are essential so that we can conduct our business in accordance with our stated values.

2. Basic Principles

At Hindoostan Mills Limited (“HML”), we are committed to always doing the right thing. HML is committed to compliance with high standards of Corporate and personal behavior in pursuing its business interests and it expects its employees to observe those standards as well. The Company’s business success is dependent on its reputation for honesty, integrity, professionalism and fairness in dealings. Therefore it is essential that the highest standards of conduct and professional integrity be observed in all dealings/contracts made by the company’s directors and employees with its customers, creditors, stakeholders, suppliers, government officials, fellow employees and the general public.

Before you review these principles, you should have an overview of HML’s Corporate Vision and its Corporate Shared values:-

Corporate Vision:

- We shall operate in existing and new businesses which capitalize on the ‘Thackersey’ brand and our corporate image of reliability and integrity.
- Our objective is to delight our customers, both in India and abroad. We shall achieve this objective through continuous improvement in Quality, Cost and Customer Service.
- We shall strive for excellence by nurturing, developing and empowering our employees and suppliers.
- We shall encourage an open atmosphere, conducive to learning and team work.

Corporate Shared Values:

- | | |
|-----------------------------|-------------------------|
| ➤ Commitment to quality | ➤ Customer Orientation |
| ➤ Dedication and commitment | ➤ Discipline |
| ➤ Honesty & Integrity | ➤ Learning organization |

- Openness & Transparency
- Respect/care and concern for people
- Team work
- Trust

When faced with a business decision that seems to have ethical overtones, here are several questions you should ask yourself to determine if your actions are proper:

1. Am I adhering to the spirit, as well as the letter, of any law or HML's policy that may be involved?
2. What would my family, friends or neighbours think of my actions?
3. Will there be any direct or indirect negative consequences for HML?
4. Are my actions consistent with the overall values set forth in this Code and HML's Corporate Vision?

3. 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) All the Senior Management Personnel of the Company

4. Compliance with all Laws

The Government of India has formed various legislations to support the policies of the Government, to exercise control over economic activities, to protect customers and to protect the environment. The Company as a good corporate citizen fully supports the above effort of the Government and therefore expects the directors and senior managers to ensure full compliance with all the applicable laws and regulations applicable to the Company.

Violations of laws, regulations, rules and orders may subject the employee, agent or contractor to individual criminal or civil liability, as well as to discipline by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

5. Use and protection of Company's Assets

The Company's assets are to be used only for the legitimate business purposes of the Company and only by authorized employees. This includes both tangible and intangible assets. The Directors and employees are responsible for ensuring that appropriate measures are taken to assure that Company assets are properly protected. In addition, they should take appropriate measures to ensure the efficient use of Company's assets, since theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. When a director/employee leaves the Company he/she should return the company's assets.

Protection of the Company's intellectual property, including its trade secrets, patent/copyright information, scientific and technical knowledge, know-how and the experience developed in the course of the company's activities, is essential to maintaining our competitive advantage. This information should be protected by all

company personnel and should not be disclosed to outsiders. Much of the information the Company develops in its research, production, marketing, sales, legal and finance areas are original in nature and its protection is essential to the Company's continued success. This information should be safeguarded. Proprietary/confidential information and trade secrets may consist of any formula, pattern, device or compilation of information maintained in secrecy that is used in business, and that gives the business an opportunity to obtain an advantage over competitors. This information should be protected by all Company employees and not disclosed to outsiders.

HML's funds or assets will be utilized solely for a lawful and proper purpose and no transfer or expenditure of such funds or assets will be undertaken unless the stated purpose is (in fact, the actual purpose), or the transfer or expenditure is authorised in writing and within HML's policy. No undisclosed or unrecorded fund or asset of HML shall be established for any purpose.

6. Maintaining and Managing Records

We rely on our directors/employees to maintain accurate books and records to efficiently manage our business. As in all other aspects of our business, we expect our directors/employees to adhere to the highest standards of honesty. At HML, we do not engage in inaccurate, false or misleading record keeping.

Records include paper documents, CDs, computer hard disks, e-mail, floppy disks, microfiche, microfilm or all other media. The Company is required by applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and the Company, and failure to comply with such guidelines may subject the employee, agent or contractor to disciplinary action, upto and including termination of employment or business relationship.

No false or artificial entries shall be made in the books and records of HML for any reason, and no director/employee shall engage in any arrangement that results in such a prohibited act. Compliance with accepted accounting rules and controls and adherence to Accounting Standards issued by the Institute of Chartered Accountants of India is expected at all times. The books of account must truly reflect the transactions they record. Timely and accurate recording and reporting of information is a must for making responsible business decisions.

7. Public Reporting

As a listed public company HML is required to file/submit various documents with the statutory authorities from time to time. Such submission/filing must be made by responsible representatives of the Company. In addition to filing/submission, HML is also required to publish reports in the newspapers from time to time. While making such submissions/disclosures we should bear in mind that such submissions should be accurate and timely. Queries from the statutory authorities on such submissions should be promptly and accurately replied.

8. Confidential Information

Confidential HML information and trade secrets are important corporate assets that merit the same protection as our physical assets. You must be careful not to disclose such information to unauthorized persons, either within or outside HML and must

exercise care to protect the confidentiality of such information received from another party.

Confidential information refers to information that is not already in the public domain that a company would normally expect to be non-public and that might affect the company's competitive position. It includes information sometimes referred to as trade secrets.

Some examples of confidential information are

- Technical information about current or planned products and/or processes.
- Procurement plans, vendor lists or purchase prices.
- Cost, pricing, marketing or service strategies.
- Non-public earnings reports and other financial reports
- Information related to divestitures, mergers and acquisitions.

9. Conflict of Interest

A conflict of interest occurs when personal interests interferes with your ability to exercise your judgment objectively, or to do your job at HML in a way that is certain to be in the best interest of HML. A conflict situation can arise when an employee or director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. In such cases the employee or director must avoid any action that may involve a conflict of interest with the company. If he/she consider undertaking any transaction or relationship that reasonably could be expected to give rise to an actual or apparent conflict of interest between him/her and the Company, or in his/her personal or professional relationship, he/she must promptly disclose this activity for review by his/her immediate boss. Immediate disclosure of any potential conflict is the key to remaining in full compliance with this code.

In case of the directors they have to declare their interests in the manner and within the time specified under the Companies Act, 1956 and/or any other legislation as may be applicable from time to time.

Examples of Potential Conflicts Involving Employees :

- Contracting with a supplier managed by a close friend or family member.
- Working independently as a consultant to a supplier or customer.
- Having a private business or your own time if you perform work that is similar to work that you perform at HML or that HML might be interested in performing.

10. Investigations by Statutory Authorities

It is the Company's policy to fully cooperate with any investigation or inquiry by Statutory Authorities. The Company prohibits any employee, officer or director from altering, destroying, mutilating or concealing a record, document, or other object, or attempting to do so, with the intent to impair the subject matter or its availability for use in an official proceeding. Furthermore, the Company prohibits any employee or director from obstructing or influencing any official proceeding in any manner whatsoever.

11. Insider Trading Code of Conduct

All the directors and designated employees are prohibited from engaging in insider trading and should adhere to the Insider Trading Code of Conduct issued by the

Company which contains detailed guidelines about dealing with confidential information.

12. Equal Opportunity Employer

HML is committed to equal employment opportunity to assure the fair and equal treatment to all the employees. Discrimination in employment because of race, caste, religion, colour, sex, age, marital status, disability or other grounds is prohibited. Exceptions include where sex, age or physical condition is a bonafide occupational qualification for a particular job. The Company also has a policy in place which prohibits sexual harassment of fellow employees. These standards apply to all terms, conditions and privileges of employment including hiring, training, transfers, promotions, compensation, benefits, educational assistance, recreational programs, termination, discipline and retirement.

13. Anti-Bribery

The Company's objective is to compete in the marketplace on the basis of superior products and competitive prices. No payment shall be made to anyone for the purpose of obtaining or retaining business or to obtain any other favourable action. It is imperative that each and every person who does business with the Company understands that the Company will not, under any circumstance give or accept bribes or kickbacks.

14. Frauds and Thefts

It is HML's policy to ensure that incidents of fraud and theft relating to HML are promptly investigated, reported and where appropriate, prosecuted. Any suspected incident should be immediately report to the *Audit Dept/Administration Dept*.

15. Gifts

It is our policy to discourage receipt of business gifts. You should not accept any gift from a supplier, vendor or customer unless the gift is of a nominal value, and, a refusal to accept it would amount to being discourteous.

You should also not accept any money or cash equivalents, or allow any member of your immediate family to accept anything from any person with whom HML has a business relationship.

Common sense and good judgment must be exercised when accepting business-related meals or anything of token value to avoid any perception of impropriety or conflict of interest.

16. Fair Dealing with all the parties

All the executive directors and employees should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. They should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practice.

17. Environment Management

HML is committed to meeting with all the provisions of the environmental legislations and continuously strive to improve the Company's environmental performance.

18. Health and Safety

HML is committed to a safe, healthy work environment that is in compliance with all the applicable laws and regulations.

19. Monitoring and Enforcement

All the directors and senior managers should take steps to ensure compliance with the standards set forth in this Code in the operations of the Company. If there are instances of non-compliance, the managers and directors shall ensure timely and reasonable remediation of any non-compliance, whether found by internal or external monitors, and ensure adequate steps are taken to prevent the recurrence and/ or occurrence in the Company.

When in doubt, the employees/directors are encouraged to seek guidance and express any concerns that they may have regarding this code. Questions regarding these rules and policies should be directed to the HR Dept. who may address it to the respective authority for guidance.

20. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All the directors and senior level employees are required to acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form at Appendix-I indicating that they have received, read, understood and agreed to comply with this code and forward the same to the Company Secretary within 30 days from the end of every financial year i.e. by 30th April every year.

Appendix-I

To

The Board of Directors,
Hindoostan Mills Ltd.,
Mumbai.

Dear Sir,

Sub: **Affirmation of compliance with the Code of Conduct of Board
of Directors and Senior Management**

I hereby affirm the compliance with the Code of Conduct of the Company during the financial year ended 31st March, _____.

Thanking you,

Yours faithfully,

Signature: _____

Name :
Designation :
Department :
Emp. No. :

Date :