

## **BIRLA COTSYN (INDIA) LIMITED:**

### **Code of Conduct for Board Members and Senior Management Personnel**

#### **Introduction-**

- This Code of Ethic ("Code") shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Birla Cotsyn (India) Limited ("the Company").
- The purpose of the 'Code' is to reflect business practices and principles of behavior of the Board Members and Senior Management Personnel in affirming their commitment to Good Governance in line with the Company's Philosophy on Corporate Governance.
- This 'Code' has been framed specifically in compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.
- The 'Code' shall come into force with effect from 10<sup>th</sup> August, 2010 and future amendments / modifications shall take effect from the date stated therein.

#### **Applicability-**

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. Vice Presidents, Unit Heads 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 Company Secretary shall be the Compliance Officer for the purpose of this Code.

The Code shall be posted on the website of the Company.

#### **Key Requirements-**

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

- a) Shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Company as well representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.
- b) Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which, in his opinion, is likely to arise.
- c) Shall avoid having any personal financial interest in works or contract awarded by the Company.

d) Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.

e) Shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Senior Managements are expected to devote their full attention to the business interests of the Company.

f) Shall not exploit for their own personal gain, opportunities that are discovered through company's business, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors and its approval is obtained.

g) Shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud.

h) Shall comply with all applicable laws, rules and regulations, both in Letter and spirit.

i) 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 / insider trading within the meaning of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

j) Shall not disclose any confidential information concerning the company's business, its customers, suppliers, etc, which is not in the public domain, and to which he/she has access unless authorised to do so and when disclosure is required as a matter of law.

k) Shall protect the Company's assets and may not use these for personal use.

#### **Annual Compliance Reporting-**

It terms of Clause 49 of the Listing Agreement, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year in the proforma enclosed as **Appendix-I** to this Code. The Annual Compliance Report shall be forwarded to the Company Secretary.

#### **Consequences of Non- Compliance of this Code-**

- In case of breach of this Code by any Board Member or Senior Management Personnel, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

**Acknowledgement of Receipt of the Code-**

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form annexed to this Code vide **Appendix-II** and forward the same to the Company Secretary.

**APPENDIX-I**

**ANNUAL COMPLIANCE REPORT**

I .....do hereby solemnly affirm to the best of my knowledge and belief that I have, in letter and in spirit, complied with the provisions of the Code Of Conduct for Board Members and Senior Management Personnel of Birla Cotsyn (India) Limited, during the financial year ending 31st March 2010.

Signature : .....

Name : .....

Designation : .....

Date : **30<sup>th</sup> April, 20**\_\_\_\_

Place : **Mumbai**

\* To be submitted by 30th April each year.

**APPENDIX-II**

**ACKNOWLEDGEMENT FORM**

I ....., have received and read the "Code Of Conduct For Board Members And Senior Management Personnel ("This Code") of Birla Cotsyn (India) Limited. I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature	:	.....
Name	:	.....
Designation	:	.....
Date	:	
Place	:	<b>Mumbai</b>

