

# **NATIONAL CEREALS PRODUCTS LIMITED**

Regd Office:- Solan Brewery. Solan-173214 (H.P.)

CIN No. L99999HP1948PLC001381

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## **CODE OF CONDUCT**

### **1. INTRODUCTION**

National Cereals Products Limited ('hereinafter referred to as the 'Company') is a company incorporated on 11<sup>th</sup> August, 1948 with its registered office situated at Solan Brewery, Distt. Solan (H.P.)-173214. The company is having manufacturing unit at Mohan Nagar, Ghaziabad (U.P.)-201007. The Company manufactures Barley Malt from raw material Barley.

The Company's philosophy on Corporate Governance is built on a rich legacy of fair, transparent and effective governance. This includes respect for human values, individual dignity and adherence to honest, ethical and professional conduct. This enables customers and all stake holders to be partners in the Company's growth and prosperity.

The Company's Code of Conduct not only ensures compliance with the Company Law, provisions of the listing agreement with Stock Exchanges and other laws. Accordingly, the Board of Directors of National Cereals Products Limited have adopted the following code:-

- Guidance on ethical standards of conduct on various matters including conflict of interest, acceptance of positions of responsibilities, treatment of business opportunities etc.;
- Responsibility to comply with Insider trading regulations and applicable laws and regulations; and
- Procedure for annual affirmations to the Code of Conduct by Directors and the Senior management.

### **2. OBJECTIVE**

This code of conduct document has been created in furtherance of the Company's commitment to building a strong culture of corporate governance by promoting the importance of ethical conduct and transparency in the conduct of its operations. This code lays down the standards of conduct that shall apply to its Directors and all Employees of the Company.

### 3. DEFINITIONS

The definitions of some of the key terms used in this Code are given below

- (i) **“Director”** means any Executive, Non-Executive, Nominee or Alternate Director of the Company.
- (ii) **“Employee”** means any employee or officer of the Company.
- (iii) **“Relative”** means ‘relative’ as defined in Section 2(76) of the Companies Act, 2013 and read with rule 4 (Specification of definition details) Rules,
- (iv) **“Senior Management”** means personnel of the Company who are members of its Core Management team excluding the Board of Directors.

### 4. APPLICABILITY

This Code is applicable to the following:

- a) All Employees of the Company including Senior Management; and
- b) All Directors of the Company.

This Code does not address every possible form of unacceptable conduct and it is expected that the Directors and the Employee shall apply their sound judgment to comply with the principles set forth in the Code.

### 5. STANDARDS OF CONDUCT

The Directors and employees shall conduct the Company's business in an efficient and transparent manner in meeting its obligations towards the shareholders and other stakeholders. The Directors and employees shall not be involved in any activity that would have any adverse effect on the objectives of the Company or against national interest. The following elucidates the Company's position on the manner of conduct of the Company's business and transactions:

#### **a) Compliance with applicable laws**

National Cereals Products Limited requires that its employees and Directors strictly comply with the applicable laws and regulations in the conduct of its business, both in letter and spirit. If the ethical standards set forth in this policy are more rigorous than the applicable laws and regulations, then the standards of the National Cereals Products Limited Code of Conduct shall prevail.

#### **b) Conflict of Interest**

Conflicts of interest may appear where on account of either on undertaking or in the act of influencing a business transaction, relationship, or an activity, the Director or Employee is in a position to derive a personal benefit for himself or for a relative or a related party (as

described in the Companies Act, 2013). It includes instances where the independent judgment of such a Director or Employee to work towards the best interests of the Company may be or perceived to be impaired.

In case of an Employee, where such conflict appears at any time or is in existence at the time of the implementation of this policy, such Employee shall forthwith make a disclosure in writing to the Company Secretary, who in turn shall compile such disclosures for review by the Corporate Governance Committee. Upon review by the Corporate Governance Committee, the Employee may be directed to avoid/resolve the conflict or to take such remedial action as is deemed suitable by the Corporate Governance Committee.

A Director shall disclose any potential conflicts of interests to the Board of Directors or any Committee thereof and abstain from participating in the decision making or in influencing the decision on the areas resulting in the potential conflict of interest in accordance with the applicable rules under the Companies Act. In addition, the Director shall provide on a periodic basis, such disclosure as is required by the Board of Directors or any Committee thereof.

**c) Business opportunities**

The Directors and Employees are hereby prohibited from taking for themselves personally, any opportunities that are discovered through the use of Company's property, information or position, unless the opportunity is disclosed fully in writing to the Corporate Governance Committee and the Corporate Governance Committee authorizes the said Director or the Employee to pursue such opportunity.

The Directors and Employees are also prohibited from competing directly with the business of the Company.

**d) Acceptance of Employment / Position of responsibility**

Employees are expected to devote their total attention to the business interests of the Company. Prior approval of the Corporate Governance Committee must be sought in writing prior to accepting any position of employment or responsibility (such as Directorship etc.) outside the Company.

Directors other than Non-Executive and Independent Directors are required to obtain the express approval of the Corporate Governance Committee prior to accepting any Directorship outside the Company.

**e) Insider Trading and fraudulent & unfair practices in the securities market**

A Director or the Employees and their relatives shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company, which is not in the public domain and thus constitutes insider information. They shall also ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as also other regulations as may become applicable to them from time to time in addition to the Company's Policy for Prevention of Insider Trading.

The Company also prohibits its Directors and Employees in undertaking any fraudulent or unfair trade practice in connection with the securities of the Company.

**f) Financial reporting and disclosures**

The Company is committed to ensuring that its financial statements and reporting:

- (i) Does not contain any untrue statement;
- (ii) Does not omit any material fact or has contents that might be misleading; and
- (iii) Strives to present a true and fair view of the Company's affairs in compliance with the prevailing Accounting Standards and applicable laws and regulations.

The Directors and Employees shall ensure that there shall be no willful omission of any Company transactions from the books and financial records and all required information shall be provided to the Auditors.

**g) Health, Safety and Environment**

The Company strives to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. The Company is committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, use and disposal of any of the intermediaries or direct materials used in its product and service offerings on the ecological environment.

**h) Protection of the Company's Assets**

The Companies Assets shall be protected from theft, loss, damage or misuse and shall not be employed for conducting any illegal activity or for purpose other than of conducting the business of the Company.

The Directors and the Employees shall not use the Company's tangible assets such as equipment and machinery, systems, facilities, materials etc. or intangible assets such as proprietary information, relationships with customers and suppliers, etc. for their personal benefit or for the benefit of a related party.

**i) Competition**

National Cereals Products Limited is committed to a fair and competitive free market system. The Directors and Employees of the Company are prohibited to take any action that are anti-competitive or otherwise contrary to laws that govern competitive practices in the marketplace.

**j) Public Representation**

It may be necessary to communicate information relating to the Company, its operations and performance to its stake-holders, media, stock-exchanges etc. In all its public appearance with respect to disclosing any information in relation to the Company's activities or performance to any public constituency such as the Media, financial community etc, the Company shall be represented only by duly authorized personnel. This policy establishes that matters relating to public representation of the Company shall be handled by the Chairperson or the Managing Director or such persons as are authorized by the Board of Directors or the Chairman. In addition, the Chief Financial Officer is duly authorized to make suitable public representation in relation to financial matters.

Where a Director or an Employee seeks to publish a book, article or manuscript containing reference to the Company or its business/processes, such person should obtain prior approval of the Corporate Governance Committee. The Committee may grant such approval on terms and conditions that it may deem fit such as pre-review/changes to such publication by the Committee, inclusion of disclaimers etc.

**k) Confidentiality of Information**

Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors or the employees have access or which is possessed by the Directors and the employees, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless

- (i) authorised by the Board; or
- (ii) the same is part of the public domain at the time of disclosure; or
- (iii) is required to be disclosed in accordance with applicable laws

**l) Gifts and Donations**

The Company, its Directors and Employees shall neither receive nor offer or make directly/indirectly any illegal payments, gifts, donations or any benefits which are intended to obtain business or unethical favours. However, the Directors or Employees may receive such nominal gifts which are customary in nature or are associated with festivals.

#### **m) Electronic Usage**

Electronic resources provided to the Directors and Employees by the Company should only be used for the conduct of the Company's business. The Company prohibits any uses which are illegal or infringe on the privacy of a person or result in the transmission of inappropriate messages. The Company also reserves the right to monitor electronic usage and files on the system as and when deemed necessary.

#### **n) Fair treatment of Employees, Working Environment and Child Labour**

National Cereals Products Limited is committed to recruiting, employing and promoting employees on the sole basis of the qualifications and the abilities needed for the work to be performed, without regard to race, age, sex, caste, national origin or any other non-relevant category.

National Cereals Products Limited is furthermore committed to providing a working environment that is free from unlawful harassment and prohibits any sexual harassment and harassment based on race, age, national origin, caste, medical condition, childbirth or related condition, physical or mental disability or any other form of harassment that is unlawful. Where the employee has been unlawfully harassed, he/she should submit a complaint to the Company Secretary. Where an employee feels that he/she has been sexually harassed, he/she shall submit a complaint to the 'Officer' designated for receiving these complaints.

It is National Cereals Products Limited policy to offer to its employees a safe and healthy workplace. National Cereals Products Limited is against all forms of exploitation of children and believes in abiding by the laws and applicable regulations for prevention of child labour.

### **6. DUTIES OF INDEPENDENT DIRECTOR(S)**

*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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;*
- (12) acting within his 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.*

## **7. CONSEQUENCES OF NON-COMPLIANCE WITH THE CODE**

The matters covered in this Code are of the utmost importance to the Company, its stockholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect all of our Directors and Employees to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate action against Director or the Employee whose actions are found to violate these policies or any other policy of the Company.

## **8. CONSULTATION AND REPORTING**

In case of any doubts/clarifications in relation to the application of the Code of Conduct, Employees are requested to consult in writing with the Company Secretary in the Company. Where Company Secretary in the Company or the Directors needs any clarifications in relation to the application of the Code of Conduct, they should consult in writing with the Corporate Governance Committee.

Where any Director or Employee notes an act inconsistent with the principles set forth in the Code of Conduct, he should report the same to the Company Secretary in the Company. Company Secretary in turn is required to compile all such instances in a report along with suitable recommendation on the action required to the Corporate Governance Committee. Such report should be presented at least on a quarterly basis or sooner, depending on the nature of the complaint. Alternatively, the Director or Employee may use the Whistle-Blower mechanism provided by the Company to report any instances of violation of the Code of Conduct.

## **9. AMENDMENTS AND WAIVERS**

The Code may be amended or modified by the Board after due consultation with the Corporate Governance Committee. Any waiver of any provision of this Code for a Director or the Employee must be approved in writing by the Company's Board of Directors.

## **10. ACKNOWLEDGEMENT AND ANNUAL AFFIRMATION**

Directors and Senior Management personnel shall acknowledge the receipt of this Code indicating that they have received, read and understood, and agreed to comply with the Code and send the same to the Company Secretary. New Directors will submit such an acknowledgment at the time when their Directorship begins and in case of other Management personnel when they assume the responsibility of Senior Management personnel.

All the Directors and the Senior Management personnel to whom the Code applies shall, within 10 days of close of every financial year affirm compliance with the Code indicating their continued understanding of and compliance with the Code. The duly signed Annual Compliance Declaration shall be forwarded to the Company Secretary.



**From**

**Date:-**

Name:-

Designation:-

To  
National Cereals Products Limited

Reg:-Code of Conduct

Dear Sir,

I confirm that I have received, read and understood the code of conduct of the company and I shall abide by the said code of conduct.

Thanking you

Signature