

Code of conduct for the board members of the company

Preamble

Ashima Limited (referred to as Ashima) in consonance with good corporate governance practices has laid down a model code of business conduct and ethics (hereinafter referred to the code) regulating and governing the affairs of its board members (hereinafter referred to as the board). The board of directors and management feel strongly about the ethical and lawful policies with which we operate our business. These principles are not new since we have followed the same throughout the years and will continue to do so. Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the company to set up a formal code of conduct.

Our business is conducted on the basis of our established beliefs. We believe in treating our stakeholders, our business associates, employees and all others with whom we are associated with in any manner during the course of our business, with the highest levels of honesty, integrity, consideration and respect. The code is not an attempt to cover every possible business situations, yet is an attempt to set forth the basic and generally accepted principles as part of code of conduct to be observed.

Value Statement

We strive to bring excellence in operations with the help of the latest technology for the products we produce. It is our endeavour to bring to the market the right products at the right time. The board and management have been working together for a bright future by creation of superior products and market them with exceptional skill.

This brings about success for all our stakeholders be it our associates our distributors, retailers, shareholders, depositors, lenders, the community at large.

Purpose and compliance

The board of directors wish to adopt the code as set forth below. The code is intended to establish minimum general standards of conduct encompassing the most common and sensitive areas in which the business operates.

This Code of Conduct of Board of Directors (hereinafter referred to as "CODE") has been framed and adopted by Ashima Limited (hereinafter referred to as "the Company") on 5th January, 2006 and has been amended from time to time in line with the applicable rules and regulations.

This code shall apply to all the members of the board as specified hereinbelow.

This code is designed to meet the requirements of Listing Regulations with the stock exchanges and the board and the management shall affirm its compliance on an annual basis.

Code of conduct for the board

This code is applicable to the following:-

1. The Chairman and Managing Director, Executive Director
2. All other board members including nominees of financial institutions and Independent Directors.

Prudent conduct and behaviour

The board members should act in accordance with the highest standards of honesty, integrity in conduct and discharge of the duties assigned to them.

The board members would keep themselves updated with the affairs of the company and perform in a most diligent manner to promote the business interests of the company.

The board members should try to ensure that the operations of the company are aimed at maximizing the stake holder's wealth.

The board members should avoid appropriating business opportunities for themselves that are discovered through the use of company property or information.

Conflict of interest

The board members should not take up directorship/retainership, with companies, firms, etc., which have a conflicting interest with that of the company, except after making full disclosures of the same to the board of directors as per the statutory requirements.

It shall be the duty and responsibility of the board to adhere to and observe the highest standards of ethical conduct, integrity and avoid any conflict of interest between their private financial activities and their part in the conduct of company affairs with an overall view to take care of the business interest of the company. It shall be the duty of the board and management to work diligently, to the best of their ability, expertise and judgment.

No associate of any director should own any interest in or have any personal contract or agreement of any nature with any suppliers, contractors or others doing business with the company.

Duties of Independent Directors

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.

Compliance with laws, rules and regulations

The board members should ensure that the company complies with various rules and regulations governing the affairs of the company and should carry out a periodic review of the same.

Environmental Health and Safety

The board members should ensure to maintain a safe and healthy work environment and manage its business in the best way to safeguard the environment. The board should ensure that the company complies with all environmental, health and safety laws and establish strict standards therefore.

Insider Trading

The board members would ensure strict observance of the code of conduct for dealing in shares/securities of the company in compliance with SEBI (Prohibition of Insider Trading Regulations, 2015 as amended from time to time. Associates are prohibited from providing family members, friends, or any other persons with material non public information.

The board members would need to disclose all the information to the board about their relatives like spouse, children, parents, etc., if any, employed in the company.

Confidentiality

The board members should ensure strict secrecy of all the confidential information acquired due to long association with the company. Confidential information includes all non-public information that might be of use to competitors or harmful if disclosed to any person other than the member receiving it. The obligation to preserve the confidential information is desired to continue even after ceasing to be a member.

Disclosures by board

The board members should disclose to the company immediately any information which could lead to their disqualification to act as directors of the company.

The board members should disclose following information to the board on regular basis:-

- a. Details of any legal proceedings and decrees passed against them in personal capacity.

- b. Disclosures under Companies u/s 164 (2) (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013.
- c. Changes in directorship and members of committees of board of other companies.
- d. Such other disclosures as may be required under various acts, rules and regulations.

Dealing with media

The board members should refrain from dealing with press and media, on the matters related to the company, except specifically designated for the purpose.

Use of and protecting corporate property and records

The board members would need to ensure that the resources and assets of the company are used in the best interests of the company and not for their personal use.

The board members should take all the reasonable steps to protect the company's property from loss, damage, theft, vandalism, sabotage, or unauthorized use or disposal.

The board members should ensure that all safety, security and environment related norms are adhered to and the Board is expected to work for overall interest of the stakeholders of the company.

Acknowledgement

I have reviewed the "Code of Conduct for Board Members" for Ashima. I understand all provisions stated and certify and affirm that my activities are and will not conflict with any of the provisions contained therein.

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