



CODE OF CONDUCT
(Pursuant to Regulation 17(5) of the SEBI (LODR) Regulations, 2015)

(A) INTRODUCTION

The Company is committed to application of good management practices, compliance of law, adherence to ethical standard and commitment to values. The Company believes in aligning its business structure in the lines of transparency, integrity, professionalism and accountability at the highest level. Accordingly, This Code of Conduct ("***This Code***") was laid down by the Board of Directors to maintain the standard of business conduct for TILAKNAGAR INDUSTRIES LTD. ("***the Company***") in accordance with the provisions of Clause 49(II)(E)(1) of the Listing Agreement entered into with Stock Exchanges on November 14, 2014.

In order to align the content of this Code with the provisions of the SEBI (LODR) Regulation, 2015 ("***Listing Regulations***"), the Board has, adopted this revised Code on June 09, 2016¹.

This Code is applicable to the following persons, referred to as "Officers".

- All the Directors of the Company; and
- Senior Management i.e. personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

This Code governs the conduct of the Officers. Each such person should become familiar with its provisions.

The Board of Directors reserves the right to amend, alter or enlarge This Code at any time.

The Officers should conduct their activities in line with the following policies laid down by This Code and adhere and seek compliance thereto:

¹ Newly inserted on June 09, 2016

(B) PRINCIPLES AND CONDUCT

1. Honest and Ethical conduct

The Officers of the Company shall act with professionalism, honesty, transparency and integrity.

2. Compliance with Laws, Rules and Regulations

The Officers shall, in their business conduct, ensure compliance with all applicable laws, rules and regulations, in all the territories in which the Company operates and adhere to the reporting system there under.

All the Directors are required to discharge functions/duties as prescribed under the provisions of the Companies Act, 2013 including Section 167 of the said Act and Listing Regulations² as in force from time to time.

Independent Directors are also required to comply with the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 as in force from time to time.

An Independent Director shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his/her knowledge, attributable through Board processes, and with his/her consent or connivance or where he/she had not acted diligently with respect of the provisions contained in the Listing Regulations³/ the Companies Act, 2013 as in force from time to time.

3. Loyalty in Employment

All Officers shall devote their full attention to the business interests of the Company. The Officers are prohibited from engaging in any activity that interferes with their performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.

4. Conflict of Interest

The Officers must always act in the best interests of the Company and should avoid situation where their personal interests conflict or could conflict with their obligations towards the Company. They must not, directly or through any members of their families, relatives or persons living with them or with whom they are associated, or in any other manner:

- a. have any financial interest that could have a negative impact on the performance of their duties, or derive any financial benefit from any contract

² Reference to the provisions of Listing Agreement replaced with reference to the provisions of Listing Regulations on June 09, 2016

³ Reference to the provisions of Listing Agreement replaced with reference to the provisions of Listing Regulations on June 09, 2016

between the Company and a third party, where they are in a position to influence decisions that are taken regarding that contract; or

- b. attempt to influence any decision of the Company concerning any matter with a view to deriving any direct or indirect personal benefit.

5. Fair and Equal Opportunities

The Officers shall ensure that fair and equal opportunities are provided to all employees of the Company and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age & nationality and that no discrimination or exploitation is done in this regard.

6. Safety, Health and Environment

The Officers shall strive to maintain a safe and healthy working environment, both within the Company and as part of the society and comply, in the conduct of its business affairs, keeping in view all regulations regarding the preservation of the environment of the territory the Company operates in.

7. Fraudulent and Unfair Practices

The Company's securities are presently listed on the BSE Limited and National Stock Exchange of India Ltd. In future these may be listed on any other Stock Exchanges. The Officers shall ensure that the Company complies with Securities Laws in jurisdiction in which its securities are listed.

The Officers are prohibited from engaging in any fraudulent and unfair trade practices in the securities market, with regard to the securities of the Company or any other Company or in the conduct of the Company's business activities, etc.

8. Fair Dealing

The Officers shall not take a discriminatory stance towards or give unfair advantage to the Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

9. Protection of the Company's Assets and Proprietary Information

All Officers must endeavour to protect the Company's assets and ensure their efficient use. The assets of the Company should be employed for the purpose of conducting the business for which the officers are duly authorized and these should not be misused.

The obligation of the Officers to protect the Company's assets includes protecting its proprietary information. Proprietary Information includes intellectual property such as trade secrets, patents, trademarks, designs and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records and unpublished financial data. Unauthorized use or distribution of such information would not only be a violation of This Code and the

terms of employment with the Company, but could also be illegal and result in civil and/or criminal liabilities.

10. Maintenance of Confidential Information

The Officers shall maintain confidentiality of information entrusted to them by the Company or any other information about the Company that comes to them except when disclosure is duly authorized or required by any law or regulation.

11. Reporting any illegal or Unethical Behavior

The Officers 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 the Company.

12. Gifts, Donations & Entertainment

The Officers shall neither receive nor offer to make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for conduct of the business of the Company. However, the Officers may accept and offer nominal gifts not exceeding Rs.5000/-, which are customarily given and are of a commemorative nature, for special events.

13. Transparency and Auditability

All Officers shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes. All Officers shall voluntarily ensure that their areas of operation are open to audit and the conduct of their activities is totally auditable.

14. Prevention of Insider Trading

All Officers shall also comply with the Code of Conduct for Prevention of Insider Trading laid down by the Company from time to time in conformity with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015⁴ and/or any amendments/modifications/re-enactment thereof.

15. Disclosure of Information

All Officers shall endeavour to produce full, fair, accurate, timely and understandable disclosures in reports and documents to the regulators and in all public communications.

⁴ Reference to the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 replaced with reference to the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on June 09, 2016

16. Work Environment Free of Harassment and Discrimination

All Officers shall refrain from indulging in any discriminatory practice based on race, colour, gender, age, religion, ethnic or national origin, disability or any other unlawful basis.

17. Other Directorship

The Officers should disclose their engagements, either as Director or in any other capacity to the Company in accordance with the provisions of the Companies Act, 2013.

18. Annual Compliance Reporting

In terms of Regulation 26(3) of the Listing Regulations⁵, all Officers shall affirm compliance of the Code on annual basis. Post receipt of the same, the Chairman & Managing Director shall sign a declaration to this effect and same shall be included in the Annual Report of the Company.

19. Violation of the Code

The Company will take appropriate and applicable disciplinary action against any Officer(s) whose actions are found to violate This Code or any other policy of the Company.

(C) DISCLAIMER:

The Code of Conduct is a statement of certain fundamental principles, ethics, values, policies and procedure that govern the Officers of the Company in the conduct of Company's business. It is not intended to and does not create any rights in any way in employees, clients, suppliers, shareholders and any other person or entity.

⁵ Reference to the provisions of Listing Agreement replaced with reference to the provisions of Listing Regulations on June 09, 2016