

**CODE OF CONDUCT**

**FOR**

**BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL**

**OF**

**BIOFIL CHEMICALS AND  
PHARMACEUTICALS LIMITED**

**Preamble:**

In line with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, the Code of Business Conduct and Ethics for Board Members and Senior Management Personnel was revised by Biofil Chemicals and Pharmaceuticals Limited in its Board Meeting held on 14<sup>th</sup> November, 2014.

In line with the provisions contained in revised Clause 49 of the Listing Agreement with Stock Exchanges and Companies Act, 2013, the Board hereby adopts the revised –Code of Business Conduct & Ethics for Board Members and Senior Management Personnel of **Biofil Chemicals and Pharmaceuticals Limited**, which shall come into force with effect from 14<sup>th</sup> day of November, 2014.

**Definitions**

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

- a) “**Applicable Employee**” means Directors and Senior Management Personnel of the Company.
- b) “**Company**” here means **Biofil Chemicals and Pharmaceuticals Limited**.
- c) “**Director**” means any Executive, Non - Executive, Nominee or Alternate Director of the Company.
- d) “**Employee**” means any employee or officer of the Company.
- e) “**Senior Management Personnel**” means personnel of the company who are members of its core management team; this would comprise all members of management one level below the executive directors, including all functional heads.
- f) “**Relative**” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013, read with rule 4 of companies (specification of definition details ) rules, 2014

**Applicability:**

This Code is applicable to all the applicable employees of the Company i.e.:

- a) Directors of the Company, and
- b) Senior Management Personnel.

**General Moral Imperatives****Contribute to society and human well being:**

This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. Applicable Employee must attempt to ensure that the products of their efforts will be used in

socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others.

In addition to a safe social environment, human well-being includes a safe natural environment. Therefore, all of us who are accountable for the design, development, manufacture and promotion of company's products, must be alert to, and make others aware of, any potential damage to the local or global environment.

### **Avoid harm to others**

"Harm" means injury or negative consequences, such as loss of property, property damage or unwanted health and environmental impacts. This principle prohibits use of men, material and technology in ways that result in harm to our consumers, employees and the general public. Well-intended actions, including those that accomplish assigned duties, may lead to harm unexpectedly. In such an event, the responsible person or persons are obligated to undo or mitigate the negative consequences as much as possible.

### **Be honest and trustworthy**

Honesty is an essential component of trust. Without trust an organization cannot function effectively. Applicable Employees are expected not to make deliberately false or deceptive claims about Companies products/systems, but instead provide full disclosure of all pertinent limitations and problems.

### **Be fair and take action not to discriminate**

The values of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of this code.

### **Practice integrity in inter-personal relationships**

In relationships with colleagues, Applicable employee should treat each other with respect and in good faith. In the same way they themselves would expect them to treat. The principle to be adopted to guard against loose talk or in its worst form-character assassination is not to say anything behind one's back and never utter something, which cannot be put in writing.

### **Honor Confidentiality**

The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless

discharged from such obligations by requirements of the law or other principles of this code.

## **Specific Professional Responsibilities**

### **Proper Accounting, Financial reporting and Disclosures**

Applicable Employees, in the performance of their duties and to the extent of their roles and responsibilities, shall to the best of their knowledge:

- i. Ensure the integrity of financial records.
- ii. Perform their duties in accordance with applicable laws, rules and regulations across geographies in which Company operates. Applicable Employees are expected to acquire knowledge of the appropriate mandatory requirements relating to their respective functions and responsibilities.
- iii. Protect Company's assets from any misuse or theft. This includes computers, office equipment, laptops, desktops, servers, handheld communication devices and any other tangible assets as well as intangible assets such as financial data, corporate information, etc. recorded in any form or contained in any media.
- iv. Maintain confidentiality and security of individual system login credentials and passwords at all times, including accounting passwords, payment passwords, other access passwords, password devices etc.
- v. Adhere to and comply with the established Accounting Policies and Procedures at Company as well as the Generally Accepted Accounting Principles ('GAAP', International Financial Reporting Standards ('IFRS') or any other standards of accounting and reporting adopted by company.
- vi. Ensure that no accounting entries are recorded in Company's books of accounts without proper documentation and explanation in reasonable detail.
- vii. Ensure that no payments are approved or made with the intention that any part of such payment is to be used for any purpose other than the purpose stated in the relevant documents.
- viii. Refrain from taking any action to coerce, influence, manipulate or mislead or fraudulently influence Company's external or internal auditors with intent to render Company's financial statements as misleading or incorrect.
- ix. Provide full, fair, accurate, timely and understandable disclosure on all material aspects of Company's businesses including periodic financial reports that Company files with regulatory authorities as may be required under various provisions of law, Stock Exchange Listing Agreements, SEC Rules and the like and in accordance with Company's current Disclosure Policy.
- x. Any statement by Applicable Employees to the press, analysts or any third parties shall be made by and in accordance with Company's Media Policy.

**Conflicts of interest**

A conflict of interest exists where the personal interests or benefits of one person or entity conflict with the interests or benefits of Company. Performance and responsibilities to Company shall not, at any time, be subordinated to personal gain or advantage. Applicable Employees must devote their full attention to the business interests of Company and are expected to avoid personal activities and financial interests which could conflict with their performance or responsibilities to Company. Applicable Employees shall not seek gain for themselves or others through the misuse of their positions. Personal involvement including financial interests/ dealings with a competitor, client, external auditors and audit team members, supervisors, subordinate employees or peers of Company that has the potential of affecting the employee's ability to exercise good judgment for Company creates an actual or potential conflict of interest. None of the Applicable Employee including their relatives may receive improper personal benefits as a result of the employee's position at Company.

**Live the Company's Values-each day.**

Applicable Employees must live the Company's Values-each day.

**Consumer focus**

Applicable Employees should develop superior understanding of consumer needs and develop products to fulfill them better.

**Teamwork**

Applicable Employees must work together on the principle of mutual trust and transparency in a boundary less organisation. They must intellectually honest in advocating proposals, including recognizing risks.

**Integrity**

Applicable Employees must committed to the achievement of business success with integrity and must be honest with consumers, business partners and each other.

**Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work**

Excellence is perhaps the most important obligation of a professional. Applicable Employees focused to strive to achieve the highest quality, effectiveness and dignity for each day.

**Know and respect existing laws**

Applicable Employees must obey existing local, state, national, and international laws unless there is a compelling ethical basis not to do so. Applicable Employees should also obey the policies, procedures, rules and regulations of the company. Violation of a law or regulation may be ethical when that law or rule has inadequate moral basis or when it conflicts with another law judged to be more important. If one decides to violate a law or rule because it is viewed as unethical, or for any other reason, one must fully accept responsibility for one's actions and for the consequences.

**Manage personnel and resources to enhance the equality of working life**

Organisational leaders are responsible for ensuring that a conducive environment is created for fellow employees to enable them delivering their best. Applicable Employees, therefore, are responsible for ensuring human dignity of all their colleagues, ensuring their personal and professional development and enhancing the quality of working life.

**Be upright and avoid any inducements**

Neither directly nor through family and other connections indirectly, should we solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business-especially during bulk purchase of commodities for the organisation or awarding a contract to an agency etc. Applicable Employees are likely to be offered various gifts by vendors/parties/agencies and people associated with Company under different wraps or generally on personal celebrations or functions or religious festivals etc.

**Conduct themselves in a manner that reflects credit to the Company**

All applicable employees are expected to conduct themselves, both on and off-duty, in a manner that reflects credit to the company. The sum total of their personal attitude and behavior has a bearing on the standing of Company and the way in which it is perceived within the organisation and by the public at large.

**Be accountable to stakeholders**

All of those whom Company serve, be it customers, without whom Company will not be in business, Company's shareholders, who have an important stake in Company's business and the employees, who have a vested interest in making it all happen-are Companies stakeholders. And Applicable Employees must keep in mind at all times that they are accountable to their stakeholders.

“Inside information” gained from the Company or otherwise must not be used for personal gains. Applicable Employee undertakes to comply with the Company’s Code of Conduct for Prevention of Insider Trading.

### **Protect Company’s properties**

Applicable Employees are perceived as Trustees of Company’s properties, funds and other assets. They owe fiduciary duty to each stakeholder, as their agent, for protecting the Company’s assets. Applicable Employees, therefore, must safeguard and protect the Company’s assets against any misappropriation, loss, damage, theft, etc. by putting in place proper internal control systems and procedures and effectively insuring the same against any probable fire, burglary, fidelity and any other risk

### **Compliance of Regulatory Requirement pursuant to Code of Conduct:**

#### **Code of Conduct for Directors (Section 166 of the Companies Act, 2013):-**

**All the directors of the Company Shall** undertake to comply with the following:

1. Act in accordance with the Article of Association (AOA) of the Company.
2. Act in the good faith in order to promote the object of the company for the benefit of its members as a whole, and in the best interest of the Company, its Employees, the shareholders, the Community and for the protection of the environment.
3. Exercise his duties with due and reasonable care, skills and diligence and shall exercise independent judgment.
4. Not involve in a situation in which he may have direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. Not assign his office and any assignment so made shall be void.

### **Independent Directors**

In addition to the duty specified in Section 166 of the Companies Act, 2013, the independent directors shall also abide by the duties, as specified in schedule IV to the Companies Act, 2013. As mentioned in the annexure I attached with this Code.

**Accountability for Adherence to the Code**

Applicable Employees are responsible for decision-making and for adherence to this Code.

Internal Investigations: Company will promptly investigate all alleged violations and potential violations of this Code, or of any related Company standard, policy or procedure. Any allegations will be treated confidentially, to the extent consistent with Company interests and its legal obligations.

All are expected to cooperate in the investigation of an alleged violation of the Code.

If Company determines that corrective action is necessary to fix a problem and avoid the likelihood of its recurrence, Company will promptly decide what steps to take, including legal proceedings when appropriate.

Disciplinary Action: To the extent legally permissible under applicable law, appropriate disciplinary action will be taken, in relation to this Code or any related, policy or procedure.

Certification: Applicable Employees must certify, in writing or electronically, that they have received, read, understood and shall abide by this Code.

**Duty to Report Violations**

Applicable Employees are responsible for reporting in good faith to the Company any circumstances that they believe may constitute a violation of this Code, as well as any other Company policies. The Company will investigate any matter so reported and will take appropriate corrective action. There will be no retribution against individuals for reporting in faith of policy violations. However, individuals will not be protected from possible disciplinary action if matter reported is with a malicious intent (bad faith) or if the individual has otherwise engaged in misconduct.

**Waivers of this Code of Business Conduct and Ethics**

While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be possible. Applicable Employees who seeks an exception to any of these policies must contact the Chairman/ Company Secretary of the Company. Any waiver of this Code or any change to this Code may be made only by the Board of Directors or such designated authorities of the Company.



**Where to seek clarifications**

Applicable Employees requiring any clarification may take up the issue with Chairman /Company Secretary of the Company.

**Amendments to the Code:**

From time to time, the Board may amend certain provisions of the Code depending on the legal and other requirements or for a bona fide purpose. Applicable Employees, including new recruits (at the time of joining) will be given a copy of the Code and are required to confirm their compliance of the same in writing. A copy of the Code will also be published on the web site of the Company. This code may, from time to time be extended to other senior officers of the company, as the Board may think fit.

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**BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

**ACKNOWLEDGEMENT FORM**

I ....., have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

**Signature** : .....

**Name** : .....

**Designation:** .....

**Date** : .....

**Place** : .....

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**ANNUAL COMPLIANCE REPORT\***

I .....do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31<sup>st</sup> March .....

**Signature** : .....

**Name** : .....

**Designation** : .....

**Date** : .....

**Place** : .....

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