

CHHATISGARH INVESTMENTS LIMITED

Regd. Off: 73 – A, Central Avenue, Nagpur (MH) - 440018
Ph: +91-711-2214211/12 Email: cil_rpr@rediffmail.com
CIN: L67120MH1982PLC331831

CODE OF CONDUCT for DIRECTORS, SENIOR MANAGEMENT and EMPLOYEES

I. Introduction

This Code of Conduct (hereinafter referred to as "the Code") has been framed to deter wrong doing and promote ethical conduct.

II. Applicability

The Code applies to the Members of Board of Directors (hereinafter referred to as Board Members), Senior Management and Employees of Chhatisgarh Investments Ltd.

The Directors, Senior Management and Employees of the Company shall comply with and shall continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

III Effective Date

The Code shall come into force with effect from F.Y. 01.06.2014 and future amendments / modifications shall take effect from the date stated therein.

IV Purpose

1. The Code aims to create an environment where all the Directors, Senior Management and employees of the Company maintain honesty, integrity and ethical standards in dealing with and managing the affairs of the Company.
2. The policies outlined in this Code are designed to ensure that the Company's Directors and Employees act in accordance with not only the letter but also the spirit of the laws and regulations that are applicable to the Company's business. This Code will act as a guide for the Directors and Employees to:
 - a) help create, maintain and uphold ethical standards of integrity and probity and high commitment to compliance
 - b) assist the company in implementing the best corporate governance practices
 - c) maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted;
 - d) act objectively and constructively while exercising his duties /responsibilities in a *bona fide* manner in the interest of the company
 - e) devote sufficient time and attention and in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not take improper advantage of their position in the Company;

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- f) not abuse his position to the detriment of the company or its stakeholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person so that the Company's reputation and goodwill is always intact
 - g) Assure compliance with laws, rules and regulations that govern the Company's business activities; and
3. The Directors and Employees must comply with the language and spirit of the Code and conduct themselves accordingly and seek to avoid any circumstance that would violate the letter and spirit of this Code.

Given the variety and complexity of ethical questions that may arise in the Company's course of business, this Code serves only as a rough guide and does not specifically address every potential form of unacceptable conduct. It is expected that the Directors and Employees of the Company will exercise good judgment in compliance with the principles set out in this Code.

V.

Definitions

"Act" means the Companies Act, 2013 and the Rules made thereunder, including any amendment or modification thereof.

"Applicable Law" includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time.

"Board / Board of Directors" shall mean the Board of Directors of the Company

"Company Assets" includes, inter alia, the Company's assets, properties, money, products, intellectual property rights, computer systems and software, telephones, wireless communication devices, photocopiers, vehicles, proprietary information and Company trademarks.

"Director" shall mean the member of the Board and **"Independent Director"** shall mean an Independent Director as defined and appointed under Section 149 (6) of Companies Act, 2013.

"Employees" shall mean the Senior Management and other employees of the Company.

"Senior Management" shall mean employees of the company who are Members of its core management team excluding Board of Directors and would comprise all Key Managerial Personnel, Presidents, Vice Presidents, Senior General Managers, General Managers, Department Heads and Unit Heads of the Company.

Relative" shall mean 'relative' as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014 and more specifically spelt out in **Appendix-III** to this Code.

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In this Code words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

VI

Guidelines for proper conduct

The Board Members, Senior Management and Employees shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement. They shall:

- i) maintain and help the Company in maintaining highest degree of Corporate Governance practices.
- ii) act in utmost good faith and exercise due care, diligence, fulfill their fiduciary obligations and act with integrity in performing their duties.
- iii) avoid situations, in which their personal interest [financial or otherwise] could conflict with the interest of the Company. In case any such situation arises, suitable disclosures should be made to seniors/the management.
- iv) not, without the prior approval of the Board or Senior Management, as the case may be, accept employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company.
- v) not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from Company's business associates, competitors, which can be perceived as being given to gain favour or dealing with the Company or to get Company's information and shall ensure that the Company's interests are never compromised.
- vi) ensure that they protect the Company's assets (tangible/intangible), properties, information and intellectual rights and use them for official purpose only or as per the terms of their permitted use.
- vii) ensure that the Company makes compliance of all applicable laws, rules, regulations and statutes in addition to the internal rules and regulations as they apply in a given situation and also ensure that all reporting/submission to regulatory authorities are full, fair, accurate, timely and understandable.
- viii) maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage. Unless required by law or authorized by the management, employees shall not disclose confidential information or allow such disclosure.
- ix) not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or any other person so authorised for the purpose.
- x) not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations

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between the Company and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed, which are purely factual in nature and are not considered as confidential, in due performance of the duties assigned.

- xi) not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy and shall deal fairly with all the stakeholders of the Company.
- xii) not discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason.
- xiii) not offer anything to a Government Official, directly or indirectly, through a third party, in return for favourable treatment or in order to obtain or retain business. Political contributions by the Company must be made in accordance with the law, approved by the Board of Directors; and properly recorded.
- xiv) in conformity with applicable legal provisions disclose personal and/ or financial interest in any business dealings concerning the Company and shall declare information about their relatives (spouse, dependent children and dependent parents) including transactions, if any, entered into with them, in the format given as **Appendix – IV**.
- xv) maintain a safe and healthy workplace by following safety and health rules and practices and reporting accidents, injuries and unsafe conditions, procedures, or behaviors.

Violence and threatening behavior are not permitted. Employees must report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol.

VII Duties of Independent Directors

1. to undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company
- 2.. to 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. to strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member
4. to participate constructively and actively in the committees of the Board in which they are chairpersons or members
5. to strive to attend the general meetings of the company
6. where they have concerns about the running of the company or a proposed action, to 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. to keep themselves well informed about the company and the external environment in which

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it operates

8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
9. to 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. to 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. to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy
12. to act within his authority, assist in protecting the legitimate interests of the company and its stakeholders
13. not to 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

VIII. Review

The Code has been framed/adopted by Chhatisgarh Investments Limited (hereinafter referred to as "the Company") in compliance with the provisions of Companies Act, 2013 and rules made thereunder and the requirements of the Clause 49 of the Listing Agreement with the stock exchanges. In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in this Code of Conduct inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Code and the provisions in the Code would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board of Directors as and when any changes are to be incorporated in the Code due to change in regulations or as may be felt appropriate by the Board.

X. Acknowledgement of receipt of the Code

Every Board Member and Senior Management both present and future shall acknowledge receipt of the Code or any modification(s) thereto, in the form annexed to this Code as **Appendix - I** and forward the same to the Compliance Officer.

Any breach of the aforesaid Code brought to the notice of the Compliance Officer or any member of the Board or Senior Management shall be reported to the Board of Directors of the Company for necessary action.

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XI. Annual compliance reporting

1. Board Members and Senior Management shall affirm compliance with this Code on an annual basis at the end of the each financial year of the Company (as per **Appendix II**) within 7 days of the close of every financial year. Any failure to comply with this Code may result in disciplinary action, including the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.
2. Employees shall report any practices or actions believed to be inappropriate or illegal under this Code to their immediate Superiors or the Managing Director/Company Secretary. If it is appropriate, in view of the nature of the reported matter, reports of violations may be made directly made to the Chairman of Audit Committee as per the Vigil Mechanism of the Company.
3. CIL prohibits retaliation against any Director or Employee for such reports made in good faith, while it also protecting the rights of the incriminated person.

IX. Dissemination

This Code and any amendment thereto shall be hosted on the website of the Company.

APPENDIX-I

CODE OF CONDUCT
for
DIRECTORS, SENIOR MANAGEMENT and EMPLOYEES
of
CHHATISGARH INVESTMENTS LIMITED

ACKNOWLEDGEMENT FORM

I have received and read the Company's Code of Conduct for Board of Directors and Senior Executives of Chhatisgarh Investments Limited. I have understood the provisions and standards contained in the Code of Conduct and agree to comply with the same.

Signature : _____
Name :
Designation :
Address :
Dated :
Place :

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APPENDIX-II

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ANNUAL COMPLIANCE REPORT*

I, _____, do hereby solemnly affirm that I have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of Code of Conduct for BOARD OF DIRECTORS and SENIOR EXECUTIVES of Chhatisgarh Investments Limited during the financial year ended 31st March, _____.

Signature : _____

Name :

Designation :

Address :

Dated :

Place :

****To be submitted by 7th April each year***

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APPENDIX-III

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Extract of Section 2(77) of the Companies Act, 2013

Meaning of “relative” with reference to any person, means any one who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

Rule 4 of Companies (Specification of Definitions Details) Rules, 2014

List of relatives

For the purposes of sub-clause (iii) of sub-section (77) of section 2, a person shall be deemed to be the relative of another, if he or she is related to another in the following manner:

- (1) Father (including step-father)
- (2) Mother (including step-mother)
- (3) Son (including step-son)
- (4) Son’s wife
- (5) Daughter
- (6) Daughter’s husband
- (7) Brother (including step-brother)
- (8) Sister (including step-sister)

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APPENDIX – IV

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The Directors and Senior Management Personnel shall disclose the following, in respect of all transactions with related parties:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature:.....

Name:.....

Designation:.....

Date:.....

Place :.....

Note:

The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by the Director and/or Employee:

- ✓ purchases or sales of goods (raw materials, semi finished or finished)
 - ✓ purchases or sales of fixed assets
 - ✓ rendering or receiving of services
 - ✓ agency arrangements
 - ✓ leasing or hire purchase arrangements
 - ✓ transfer of research and development
 - ✓ license agreements
 - ✓ finance (including loans and equity contributions in cash or in kind)
 - ✓ guarantees and collaterals; and
- management contracts including for deputation of employees