

# PHOENIX LAMPS LIMITED

## CODE OF CONDUCT

### FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

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#### 1. Background:

- 1.1. Issues of Corporate Governance and challenges posed by increasing awareness and importance for greater transparency, accountability and disclosure in companies have created a need to evolve a Code of Conduct for all members of the Board and senior management of Phoenix Lamps Limited (the “**Company**”). In keeping with this objective and also to comply with the amendments to the Listing Agreement, the Board has adopted this Code of Conduct for Directors and Senior Management (this “**Code**”).
- 1.2. This Code shall come into force with effect from 1<sup>st</sup> October, 2014.

#### 2. Definitions:

- 2.1. In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:
  - (i) “**Board / Board of Directors**” shall mean the board of directors of the Company.
  - (ii) “**Director**” shall mean a member on the Board, including, without limitation, executive directors, non-executive directors, directors nominated by the promoters of the Company and Independent Directors.
  - (iii) “**Conflict of Interest**” means where the interests or benefits of any person or entity conflict with the interests or benefits of the Company.
  - (iv) “**Independent Director**” shall mean an independent director appointed in accordance with section 149(5) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.
  - (v) “**Listing Agreement**” means the listing agreement between the Company and the stock exchanges on which it is listed.
  - (vi) “**Relative**” shall mean ‘relative’ as defined in section 2(77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014.
  - (vii) “**Senior Management**” shall mean personnel of the Company who are members of its core management team excluding the Board, i.e. all members of the management one level below the Executive Directors, including all functional heads and the Chief Financial Officer.
- 2.2. In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

#### 3. Applicability:

This Code is applicable to all Board members and Senior Management of the Company.

#### **4. Duties of Directors:**

- 4.1 All the Directors of the Company shall act in accordance with the articles of the Company.
- 4.2 All Directors shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- 4.3 All Directors shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- 4.4 No Director shall involve himself in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company.
- 4.5 No Director shall 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.
- 4.6 No Director shall assign his office and any assignment so made shall be void.
- 4.7 The Directors must not be disqualified from being appointed as directors under Section 164 and other applicable provisions of the Companies Act, 2013 and the rules thereunder.
- 4.8 Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed under the applicable provisions of the Companies Act, 2013 and the rules thereunder. It shall be the duty of the Director giving notice of interest to cause it to be disclosed at the meeting held immediately after the date of the notice.
- 4.9 Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by the Company:
  - (i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two percent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
  - (ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be,shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- 4.10 Where any Director is interested in any contract or arrangement involving the Company and a related party (as such term is defined under the Companies Act, 2013 and the Listing Agreement), such Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

**5. Criteria for independence, duties and liability of Independent Directors:**

- 5.1. All Independent Directors must meet the criteria for independence set out in Clause 49 of the Listing Agreement, Section 149 and Schedule IV of the Companies Act, 2013 and other applicable rules and regulations, as amended from time to time.
- 5.2. Every Independent Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013.
- 5.3. All Independent Directors must fulfil the duties listed in **Annexure A** to this Code.
- 5.4. 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 knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Agreement.
- 5.5. The Independent Directors shall hold atleast one meeting in a year, without the attendance of non-independent directors and members of the Management. All the independent directors shall strive to be present at such meeting.
- 5.6. The Independent Directors shall be provided suitable training to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

**6. Key Requirements for Directors and Senior Management:**

The Board Members and Senior Management shall act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- (i) Shall act with due and reasonable care, skill, diligence and integrity.
- (ii) Shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
- (iii) Shall not involve in taking any decision on a subject matter in which they may have a Conflict of Interest or a potential Conflict of Interest with the Company.
- (iv) Shall make disclosures to the Board relating to all material financial and commercial transactions, if any, where they have personal interest that may have a potential Conflict of Interest with the Company at large.
- (v) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company.

- (vi) Shall avoid any dealing with a contractor or supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members and Senior Management.
- (vii) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
- (viii) Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.
- (ix) Shall not seek or accept, directly or indirectly any illegal payments, remuneration, gift, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business. However, the Company and its employees/Board Members may, with full disclosures, accept and offer nominal gifts, provided such gifts are customarily given and/or are of a commemorative nature.
- (x) Shall 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 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 by a Board Member and Senior Management, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.

- (xi) Shall not commit any offence involving moral turpitude.

## **7. Compliance of Law:**

The Directors and Senior Management shall comply with all applicable laws, rules and regulations relating to the business of the Company in letter and in spirit in all the jurisdictions in which the Company operates.

## **8. Prevention of Insider Trading:**

- 8.1. The Directors and Senior Management shall comply with the Company's Code of Conduct for Prevention of Insider Trading, the Listing Agreement and other applicable regulations, which, amongst other matters, regulate the disclosure of 'unpublished price sensitive information', and provide for pre-clearance of trades in the securities of the Company and reporting requirements with respect to such transactions.

## **9. Confidentiality of Information:**

Subject to corporate disclosure practices as may be prevalent in the Company from time to time any information concerning the Company's business, its customers, suppliers, etc. to which the Directors and Senior Management have access or which are in their possession, must be considered confidential and held in confidence. No Director or Senior Management personnel shall provide any information either formally or informally, to the press or any other media,

unless specifically authorized; Provided that Directors and Senior Management shall in consultation/under intimation to the Board, be free to disclose such information which is:

- (i) part of the public domain at the time of disclosure; or
- (ii) authorised or required to be disclosed pursuant to a decision of the Board or any of its sub-Committees;
- (iii) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the relevant government authority.

**10. Protection of Assets:**

The Directors and Senior Management shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

**11. Amendments and waivers to this Code:**

From time to time, the Board may amend or waive certain provisions of this Code depending on the legal and other requirements or for a bona fide purpose from time to time and all such amendments/ modifications shall take effect from the date stated therein. This Code may, from time to time be extended to other senior officers of the Company, as the Board may think fit.

**12. Acknowledgement of Receipt of this Code**

Every member of the Board and Senior Management, including new recruits (at the time of joining) will be given a copy of this Code and are required to confirm their compliance of the same in writing, in the acknowledgement form as at **Annexure B** and forward the same to the Company Secretary.

**13. Placement of this Code on the Company's Website**

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendment thereto shall be published on the website of the Company.

**14. Annual Compliance Reporting**

In terms of Clause 49 of the Listing Agreement, all members of the Board and Senior Management shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director/ Chief Executive Officer of the Company. A format of Annual Compliance Report is at **Annexure C**. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director / Senior Management personnel leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of this Code till the date of his association with the Company.

**15. Enforcement of this Code:**

Each member of the Board and Senior Management shall be accountable for fully complying with this Code. Any deviation or breach of this Code will be treated with due seriousness and prompt action taken to redress the same.

## ANNEXURE A

### 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 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 require by law.

**ANNEXURE B**

**PHOENIX LAMPS LIMITED**

**CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

**ACKNOWLEDGEMENT FORM**

I, \_\_\_\_\_, have received, read and understood this Code of Conduct for Board of Directors and Senior Management of Phoenix Lamps Limited (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:

**ANNEXURE C**

**PHOENIX LAMPS LIMITED**

**CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

**ANNUAL COMPLIANCE REPORT**

I, \_\_\_\_\_, do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of this Code of Conduct for Board of Directors and Senior Management of Phoenix Lamps Limited during the financial year ending 31 March 20\_\_.

\_\_\_\_\_  
Signature

Name:

Designation:

Date:

Place:

\* To be submitted by 30<sup>th</sup>. April each year