

CHADHA PAPERS LIMITED

THE CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

1. Introduction

1.1 This Code shall be called “The Code of Business Conduct & Ethics for Board Members and Senior Management” of Chadha Papers Limited (hereinafter referred to as “the Company”).

1.2 The purpose of this code is to enhance ethical and transparent process in managing the affairs of the Company.

1.3 This code is in alignment with Company’s Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

1.4 This Code has been revised with effect from the 30th May, 2016 keeping in view the compliance of the provisions of Regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It shall come into force with effect from the 30th May, 2016.

2. Definitions and Interpretations

2.1 The term “**Board Members**” shall mean Directors on the Board of Directors of the Company.

2.2 The term “**Whole-time Directors**” or “Functional Directors” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the company.

2.3 The term “**Part-time Directors**” shall mean Directors on the Board of Directors of the company who are not in whole-time employment of the company.

2.4 The term “**Relative**” shall have the same meaning as defined in Section 6 of the Companies Act, 1956. (Refer Appendix-I).

2.5 The term “**Senior Management**” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including all functional heads.

3. Applicability

3.1 This code shall applicable to the following personnel:

- a) All Whole-time Directors of the Company.
- b) Independent Directors.
- c) Senior Management.

3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

4. Key Requirements

4.1 The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the company and observe the following code of conduct:

- i. Shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Company as well representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.
- ii. Shall not involve themselves in making any decision on a subject matter in which a conflict of interest arises or could arise, between the personal interest and the interest of the Company. In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest to:
 - (a) Board of Directors in case of Directors (whole-time & part time) and
 - (b) Chairman in case of Senior Management Personnel for further directions in the matter.

4.2 Shall avoid having any personal financial interest in works or conduct awarded by the company.

4.3 Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.

4.4 Shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interest of the Company.

4.5 Shall not exploit for their own personal gain, opportunities that are discovered through company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Chairman as the case may be.

4.6 Shall not seek or accept or offer directly or indirectly and gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form however described by the customers, vendors, consultants, etc., that is perceived as intended directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud.

4.7 Shall comply with all applicable laws, rules and regulations and any violation thereon may make them personally liable, Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.

4.8 Shall not serve as a Director of any other Company or as a partner or a firm that competes with the Company. Whole Time Directors and Senior Management Personnel shall obtain approval of the Chairman prior to accepting Directorship of any other Company or partnership of a firm.

4.9 Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of (i) trading in the shares of the Company, (ii) transactions having personal interest

and (iii) related party transactions that are required to be made under laws, rules & regulations and Code for prevention of Insider Trading in the Securities of the company.

4.10 Any information concerning the Company's business, its customers, suppliers, etc., which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to be press or any other publicity media, unless specifically authorized.

4.11 Shall protect the Company's assets, labor and information and may not use these for personal use, unless authorized to do so.

5. Enforcement of Code of Conduct

5.1 Company Secretary shall be the Compliance Officer for the purpose of this code.

5.2 Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.

5.3 Compliance Officer shall report breach of this code, if any, which comes to his notice to the:

- Board in case of all Board Members and
- Chairman in case of Senior Management Personnel.

5.4 All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code. The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

5.5 In case of breach of this code by the senior Management, Whole-time Directors and/or Part-time Directors, the same shall be examined by the Board.

5.6 Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

6. Waiver and Amendments of the code

6.1 No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board members and by Chairman in case of Senior Management Personnel.

6.2 The provisions of this code can be amended by the Board of Directors of the Company from time to time.

7. Affirmation of compliance of the code

7.1 All Board members and Senior Management Personnel shall within a quarter ending every financial year shall affirm compliance with the Code. A Performa of Annual Compliance Report is annexed to this Code as Appendix-II. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

8. Placement of The Code On Website

Pursuant to Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Code and any amendment thereto shall be hosted on the website of the Company.

9. Annual Compliance Reporting

In terms of Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members 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 Chairman & Executive Director. A Performa of Annual Compliance Report is at Appendix-V. 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 the Code till the date of his association with BLB. 14.2 The CEO or the Managing Director or manager or in their absence, a Whole Time Director appointed in terms of Companies Act and the CFO of the Company shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code.

10. Corporate Disclosure Practices

The Code of Corporate Disclosure Practices regulates disclosure of “Unpublished Price Sensitive Information”. The Company is responsible for overseeing and coordinating disclosure of “Unpublished Price Sensitive Information” to stock exchanges, analysts, shareholders and media including drafting of the press release or the text of the information to be posted on the Company’s website/released to the press. No person except the Company or those authorized by the Company shall disclose any information relating to the Company’s Securities to analysts/research persons and institutional investors. The Board Members and Senior Management shall comply with the Code of Corporate Disclosure Practices.

11. Related Party Disclosures

The Board Members and Senior Management shall make disclosure of related party transactions to the Board of Directors in the format provided under Accounting Standard 18 (AS-18) (Appendix IV) issued by the Institute of Chartered Accountants of India (ICAI) and/or any modification or re-codification thereof and as may be provided under the Related Party Transactions Policy of the Company.

12. Acknowledgement of Receipt of the Code

All Board Members and Senior Management shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at Appendix VI and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.
