

HERANBA INDUSTRIES LIMITED
CIN: L24231GJ1992PLC017315

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

(Framed under regulation 17(5) of SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015)

Approved on: May 30, 2023

INTRODUCTION:

This policy called as '**Code of Conduct for Board of Directors and Senior Management Personnel**' ("**Code of Conduct**") of Heranba Industries Limited ("Company") has been prepared and adopted in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR") and the Companies Act, 2013, as amended from time to time (the "Act").

Regulation 17(5)(a) of the SEBI LODR requires the Company to lay down a code of conduct for all members of board of directors and senior management of the listed entity.

APPLICABILITY OF THE POLICY:

This Code of Conduct is applicable to the following persons:

- All members of the Board of Directors; and
- All members of the Senior Management of the company.

OBJECTIVE:

The purpose of this Code of Conduct ("Code") is to ensure that the business of the Company is conducted in accordance with the applicable laws, regulations, rules and highest standard of ethics and values.

The Directors/Officers are expected to study the Code and uphold these standards in their business dealings and activities.

DEFINITIONS:

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this code, shall have the meaning assigned to them below:

'Act' shall mean Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

'Company' shall mean "Heranba Industries Limited"

'Board of directors' (Board) shall mean all the Directors of the Company including nonofficial part time directors i.e. Independent Directors.

'Independent Directors' shall mean the Board members as defined under Section 2(47) read with 149(5) of the Companies Act, 2013.

'SEBI Regulations' shall mean the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

‘Senior Management Personnel’ shall mean officers / personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the chief executive officer / managing director / whole time director/manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary, chief financial officer.

‘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.

Words and expressions used and not defined in this Board Diversity Policy shall have the same meaning as specified in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder.

GUIDELINES FOR CODE OF CONDUCT:

The Code of Conduct expects all the members of the Board of Directors and Senior Management Personnel of the company to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. They should act with competence and diligence, without allowing their independent judgement to be subordinated. Every member of the Board of Directors and Senior Management personnel of the company has an obligation, at all times, to comply with the spirit, as well as the letter, of the applicable laws and of the principles of this Code of Conduct.

Every member of the Board of Directors of the company should—

- Act in accordance with the Article of Association of the company.
- 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 interest of the company, its employees, the shareholders, community and for the protection of environment.
- Exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- Not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company.
- 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 making any undue gain, he/she shall be liable to pay an amount equal to that gain to the company.

- Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision making by reviewing in advance any materials distributed and making reasonable inquiries.
- Where a decision is not unanimous, a dissenting Director may disclose the fact that he/she dissented.

Every member of the board of directors of the company and senior management personnel should—

- Seek to comply with all Corporate Policies and perform their roles with competence, diligence, in good faith and in the best interests of the Company.
- Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position.
- Act in a manner to enhance and maintain the reputation of the company and demonstrate the highest standards of integrity, business ethics, and corporate governance.
- Respect the confidentiality of information relating to the affairs of the company acquired in the course of their service except when authorized or legally required to disclose such policies.
- Not use confidential information acquired in the course of their service for their personal advantage and should direct any media queries or approaches to the appropriate spokesperson within the Company.
- Provide expertise and experience in their areas of specialization and share learning's at the meetings of the Board in the best interest of the Company and its stakeholders. They should guide the Company's management in the 'right' direction based on their experience and judgment.
- Give careful and independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the Management. They should call for additional information, where necessary, for making such judgements.
- Not engage in any business, relationship or any activity which detrimentally conflicts with the interest of the Company or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests must be avoided at all costs.
- Avoid conducting business on behalf of the Company except with the prior approval of the Board with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he along with his relative holds more than two per cent of its paid-up share capital; and (d) with a firm in which he or his relative is a partner.

- Follow all the guidelines put forth in the Code of Conduct for Prevention of Insider Trading.
- Not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.

CONFLICT OF INTEREST:

All members of the board of directors and senior management personnel of the company are expected to dedicate their best efforts to advance the Company's interests and to make decisions that affect the company based on the Company's best interests and independent of outside influences.

A conflict of interest occurs when a director's/senior management personnel's private interest interferes in any way, or even appears to interfere with the interest of the company as a whole.

Directors and senior management personnel of the company should avoid conflict of interests with the company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly to the Company Secretary of the Company.

(A) Corporate opportunities:

Directors/Senior Management Personnel shall not exploit for their own personal gain, opportunities that are discovered using Company property, information or position, unless the opportunity is first disclosed in writing to the Company's Board of Directors.

(B) Payments or gifts from others:

Under no circumstances shall any Director/Senior Management Personnel accept any offer, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc. of the Company, that is perceived and/or company intended, directly or indirectly, to influence any business decision of the Company, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud.

(C) Company Property:

Directors and senior management personnel have a responsibility to safeguard and properly use the Company's assets and resources, as well as assets of other officers / personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the chief executive officer / managing director / whole time director/manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary, chief financial officer ("Senior Management Personnel"). organizations that have been entrusted to the company. Except as specifically authorized, Company assets, including Company equipment, materials, resources, and proprietary information must be used for the Company's business purposes only.

(D) Related Parties:

As a general rule, Director/ Senior Management Personnel, before conducting Company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same. Relatives include spouse, siblings, sibling's spouse, children, children's spouse, parents, grandparents, grandchildren and step relationships.

(E) Other situations:

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Directors/Senior Management Personnel must consult the Company's Chairman and/or the Board of Directors.

CODE FOR INDEPENDENT DIRECTORS:

This Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators, and companies in the institution of Independent Directors.

GUIDELINES OF PROFESSIONAL CONDUCT:

Independent Directors shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise their responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of their independence;
- where circumstances arise which make an independent director lose her/his independence, the independent director must

immediately inform the Board accordingly;

- assist the company in implementing the best corporate governance practices.

ROLE AND FUNCTIONS:

The Independent Directors shall:

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

DUTIES OF THE INDEPENDENT DIRECTOR:

The Code of Conduct is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors. Independent Directors of the Company, shall, in addition to other duties provided in this code, adhere to the following duties prescribed under Schedule IV of the Act including any amendments made thereto:

- Undertake appropriate induction and regularly update and refresh

their skills, knowledge and familiarity with the Company;

- 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;
- strive to attend all meetings of the Board and of the committees of the Board, which the independent director(s) is a member of;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members
- strive to attend the general meetings of the Company;
- 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 meeting of Board and Committee meetings;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper the Board or committees of the Board;
- 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;
- ascertain and ensure that the Company has an adequate and functional Vigil Mechanism / Whistle Blower Policy and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- 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 required by law.
- In addition, the Independent Directors shall also abide by the provisions of the "Code for Independent Directors" as provided under Schedule IV of the Companies Act, 2013.
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ANNUAL AFFIRMATION WITH COMPLIANCE OF THIS CODE OF CONDUCT:

The members of the board of directors of the company and senior management personnel shall affirm compliance with the code of conduct on an annual basis. The Annual Affirmation shall be forwarded to the Company Secretary of the company, in the form annexed hereto as **Annexure-I**.

AMENDMENT OF THE CODE OF CONDUCT:

Any amendment of the provision of this Code of Conduct must be approved by the Board of directors of the company and promptly disclosed on the website of the company i.e www.heranba.co.in.

ANNEXURE-I

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT
ANNUAL COMPLIANCE REPORT**

I, Director of Heranba Industries Limited, 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 MEMBERS AND SENIOR MANAGEMENT during the financial year ended 31st March,_____ .

Signature: _____

Name: _____

Designation: _____

Address:

Date:

Place: