



Shellz India Limited

CODE OF CONDUCT FOR  
BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL



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**Manufacturing Unit**  
**Shellz India Ltd.**

99, Main Chowk, Industrial Area, Samaypur,  
Delhi 110042



**Registered Office**  
**Shellz India Ltd.**

39/35, 2nd Floor, Main Rohtak Road  
Near Shivaji Park Metro Station  
West Punjabi Bagh, Delhi 110026  
**CIN : U15490DL2012PLC235397**

## Table of Contents

Sr. No.	Particulars	Pg. No.
1.	Introduction	3
2.	Applicability	3
3.	Principles of the Code	3-4
	3.1 Conduct	
	3.2 Compliance	
	3.3 Conflict of Interest	
4.	Duties of Directors of the Company	4-5
5.	Code for Independent Directors Specifying their Duties	5
6.	Confidentiality of Information	5
7.	Affirmation and Compliance	5
8.	Amendments	5
9.	Compliance Officer	5
10.	Annexures	6-9



## 1. INTRODUCTION:

This Code of Conduct Board of Directors and Senior Management Personnel (“hereinafter referred as “the Officers”) has been framed and adopted by Shellz India Limited (“the Company”) in compliance with Regulation 17(5) of SEBI (Listing Obligations and Discloser Requirements) Regulation, 2015 (“The Regulations”). This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and emphasis upon the ethical behavior and to develop a culture of honesty and accountability.

This Code of Conduct attempts to set forth the guiding principles on which the Company and its Officer shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected.

## 2. APPLICABILITY:

The code shall apply to all members of Board of Directors, Senior Management of the Company and any other employee as specified by Board from time to time.

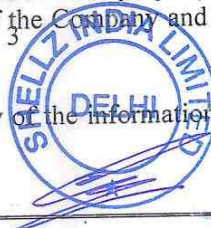
As the principles set out under this are general in character, Officers should also review the Company's other applicable Policies and Procedures for more specific instructions. In case of any difficulty in interpretation or allied matters they may contact the Compliance Officer. This Code is in addition to and not in derogation with any Act, law, rules and regulations, and all other applicable Policies and Procedures adopted by the Company that governs the conduct of its officers.

## 3. PRINCIPLES OF THE CODE:

The Officers of the Company shall act within the authority conferred upon them, in the best interests of the Company and observe the following:

### 3.1 CONDUCT

- The Officers shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfil their fiduciary obligations and shall conduct themselves in professional, courteous and respectful manner and shall not take any improper advantage of their position.
- While carrying out the duties, the Officers shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors or Committee of Directors of the Company, from time to time.
- The Officers shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or Comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business except accepting a gift or entertainment if warranted by the accepted ethical customs and practices.
- The Officers shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.
- The Officers shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.
- The Officers shall maintain confidentiality of the information that is entrusted upon them for



carrying on their respective responsibilities and duties and shall not use the same for personal benefits or gains.

### 3.2 COMPLIANCE

- The Officers shall ensure compliance of various legal/regulatory requirements as applicable to the business of the Company and Endeavour that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.
- The Officers shall report concerns about unethical behavior, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company.
- The Officers shall comply with all laws, rules, and regulations governing trading in the shares of the Company and the Company's Code of Conduct for Prevention of Insider Trading in dealing with the securities of the Company which, inter-alia, prohibits buying or selling of the Company's securities on the basis of any unpublished price sensitive information and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain.

### 3.3 CONFLICT OF INTEREST

- The Officers shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved.
- The Officers are expected to make a suitable disclosure to the Board of Directors of the Company and shall abstain from participating in any discussion for such transaction which involves or appears to involve conflict of interest. The Members (including their relatives) are expected not to derive any improper personal gain / benefit from the Company which shall include making or influencing decision by any means in any transaction of the Company.

## 4. DUTIES OF DIRECTORS OF THE COMPANY:

The Companies Act, 2013 significantly specifies certain duties and responsibilities of the Directors of the Company. While the list of duties as per the provisions of the Companies Act, 2013 has been enumerated below, it should however, by no means be considered to be exhaustive:

- The Directors shall devote sufficient time and attention to professional obligations for informed and balanced decision making, and shall act in accordance with the articles of association of the Company and 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.
- The Directors shall have a clear understanding of the aims and objectives, capabilities and capacity and various policies of the Company.
- The Directors shall exercise their duties with due and reasonable care, skill and diligence.
- The Directors shall be required to intimate the change in the directorships held within thirty days of such change.
- The Directors shall bring an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct and an objective view in the evaluation of the performance of the Board and the Management.
- The Directors shall ensure that the integrity of financial information and that financial



- controls and the systems of risk management are robust and defensible.
- The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice.
  - The Directors shall strive to attend and participate constructively & actively, in all general meetings, meetings of the Board and its committees of which they are Chairman or member.
  - The Directors shall not assign his office of director of the company to another person.
  - The Directors shall ensure that adequate deliberations are held before approving related party transactions and shall assure themselves that the same are in the best interest of the Company.
  - The Director shall not involve 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.
  - The Director shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company

**5. CODE FOR INDEPENDENT DIRECTORS SPECIFYING THEIR DUTIES:**

A guide to professional conduct for Independent Directors is separately specified under the Companies Act, 2013, in Schedule IV – “Code for Independent Directors”, which lays down the guidelines of professional conduct for Independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is appended as **Annexure I** to this Code.

**6. CONFIDENTIALITY OF INFORMATION:**

Confidentiality of information means all the information of the Company which are not meant for public dissemination. This may include information on business, trade, trade secrets, technical, commercial, proprietary or privileged information and information relating to its customers, employees, mergers / de-mergers and acquisitions, stock splits, dividend, issue of bonus shares, investments and discussions and deliberations relating to business issues and decisions, between and among its members in formal meetings or otherwise, and will include all such information which should not be made available to the public at the given point of time without following rules, procedure of the law and of the Company under the authority of its management.

**7. AFFIRMATION AND COMPLIANCE:**

The Member of the Company shall affirm compliance with this code on an annual basis (**as per Annexure II**).

**8. AMENDMENT:**

The foregoing code of conduct is not an end to itself and is subject to modification from time to time. Any change in the Code shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Code or the entire Code, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Code.

**9. COMPLIANCE OFFICER**

The Company Secretary shall act as a Compliance Officer and shall monitor compliances with the Chairman and Managing Director of the Company.

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**ANNEXURE I**  
**CODE FOR INDEPENDENT DIRECTORS**  
(As per Schedule IV of Companies Act, 2013)

The 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.

**I. Guidelines of professional conduct:**

An independent director shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising his duties;
3. Exercise his responsibilities in a bona fide manner in the interest of the company;
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. Not abuse his 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;
7. Refrain from any action that would lead to loss of his independence;
8. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. Assist the company in implementing the best corporate governance practices;

**II. Role and Functions:**

The independent directors shall:

1. 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;
2. Bring an objective view in the evaluation of the performance of board and management;
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. Safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Balance the conflicting interest of the stakeholders;
7. 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;
8. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**III. Duties:**

The Independent Director 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 of Directors 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 behavior, 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 required by law.

#### **VI. Manner of Appointment:**

1. Appointment process of independent directors shall be independent of the company management, while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
  - Term of appointment
  - expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - fiduciary duties that come with such an appointment along with accompanying liabilities;
  - Provisions for Directors and Officers (D&O) insurance, if any;
  - Code of Business Ethics that the Company expects its directors and employees to follow;
  - list of actions that a director should not do while functioning as such in the company; and
  - remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any
5. The terms and conditions of appointment of independent directors shall be open for



inspection at the registered office of the company by any member during normal business hours.

6. Terms and conditions of appointment of independent directors shall also be posted on the Company's website.

**V. Separate Meetings:**

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
  - Review the performance of non-independent directors and the Board as a whole;
  - Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VI. Evaluation Mechanism:**

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.



ANNEXURE II

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

To,  
The Compliance Officer  
Shellz India Limited  
Address: 39/35, 2<sup>ND</sup> Floor, Main Rohtak Road, Near Shivaji Park Metro Station,  
West Punjabi Bagh, Delhi, 110026

Reg: Annual Disclosure

Dear Sir/Madam,

I, ..... hereby declare that I have received and read the Company's "**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**" of the Company. I further declare that I have fully complied with Code of Conduct for Board Members and Senior Management Personnel for the Financial year ended on March 31st .....

Signature:

Name:  
Designation:  
Date:  
Place: