



The Ruby Mills Ltd.

THE RUBY MILLS LIMITED

CODE OF CONDUCT

FOR

DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

REGD. OFFICE : Ruby House, J. K. Sawant Marg, Dadar (West), Mumbai - 400 028.

PHONE : +91-22-24387800 / 30997800 • **Fax:** +91-22-2437 8125 **E-MAIL:** info@rubymills.com • **Website :** rubymills.com

(CIN : L17120MH1917PLC000447)

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

A Code of Conduct applicable to all Members of Board and Senior Management Personnel comprising of senior officials one level below the Executive Director including all Functional Heads.

INTRODUCTION

As per the revised Clause 49 of the Listing Agreement pertaining to Corporate Governance, the Company has adopted a 'Code of Conduct' for all members of the Board and Senior Management (hereinafter collectively referred as 'Officers') at its Meeting of Board of Directors held on 9th May, 2011.

This Code of Conduct of the Company shall be known as "The Ruby Mills Limited - Code of Conduct" (hereinafter referred as "**The Code**"). This Code has been framed in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred as "SEBI Listing Regulation, 2015") . Wherever there is any variation between the provisions of the Code and the provisions of SEBI Listing Regulation, 2015, as amended, the provisions of the SEBI Listing Regulation, 2015, as amended would prevail over the provisions of the code.

Explanation: For this purpose, the term "senior management" shall mean officers/personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

The objective of the Code is to ensure compliance with legal requirements and set standards for business conduct so that concerned officers act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working for and on behalf of the Company.

This Code of Conduct reflects the business practice and principles of behavior that supports the commitment. This Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. The code has been laid down to be complied both in letter and spirit by the Directors and Senior Management.

This code is subject to periodic review by the Board of Directors. All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis in the format specified in the **Annexure I** to this code, confirming that they have read and will comply this Code.

Please sign the acknowledgment form as per **Annexure II** at the end of this Code of Conduct and return the form to the Company Secretary indicating that you have received, read, understood and agreed to comply with the Code.

PREAMBLE

Integrity and business ethics of high standard are the virtues on which foundation of the Company is laid. The Company has been practicing the same since the commencement of business operations. This code is specifically prepared in accordance with the requirements of SEBI Listing Regulation, 2015, as amended from time to time. It may be amended, subject to the approval of the Board of Directors of the Company, if and when required either to comply with any modification in statute / guideline or in the interest of business of the Company.

NON-COMPLIANCE OF CODE

Suspected violation of this Code by a Senior Management Personnel shall be reported to Managing Director or Executive Director of the Company and that by a Member of the Board shall be reported to the Chairman of the Board. All reported violations shall be appropriately investigated. In case of violation, the extent of disciplinary action will be determined through reasonable application of the text and also depend on factors such as seriousness of the violation, the intent behind any such violation whether there has been a pattern of improper conduct and the effect of such improper conduct on employees, their morale or on the Corporate Governance system of the Company.

AFFIRMATION OF COMPLIANCE

The Members of the Board and Senior Management Personnel shall affirm the compliance with this Code on annual basis by signing a confirmation that they have read and complied with this code. The affirmation shall be given immediately after the end of the financial year. The Annual Report of the Company shall carry a declaration to this effect signed by the Managing Director of the Company.

TEXT OF CODE OF CONDUCT

1. GOOD CORPORATE CITIZENSHIP

The company's business also provides for the practice of good corporate citizenship as a prerequisite and embraces the following:

a. Dealing with People in the Organisation

In dealing with each other, directors, senior management and employees shall uphold the following values - trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self respect and human dignity.

b. A Gender Friendly Workplace

As a good corporate citizen, the Directors and Senior Management should be committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices.

c. Relationships with Suppliers and Customers

All directors, senior management and employees shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised. Accepting gifts and presents of more than a nominal value, gratuity payments and other payments from suppliers or customers will be viewed as serious breach of discipline as this could lead to compromising the Company's interests.

d. Legal Compliance

It is the Company's policy to comply fully with all applicable laws and regulations. Ensuring legal and regulatory compliance is the responsibility of the Board. The Board cannot accept practices which are unlawful or may be damaging to its reputation.

e. Environment Policies

The Board and Senior Management should strive towards best Practices in environmental matters arising out of its business activities and expect each business to fully demonstrate this commitment. In addition to complying with applicable laws and regulations, Businesses must establish procedures for assessing the environmental effects of their present and future activities.

2. PERSONAL CONDUCT

All directors, senior management and employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

a. Avoidance of Conflict of Interest

All directors, senior management and employees must avoid situations in which their personal interest could conflict with the interest of the Company. The Directors and Senior Management shall, from time to time, inform the Chairman of changes in their interests that may interfere with their ability to perform their duties, and in the case of "independent directors", impact their independence as a Board member. The Chairman shall accordingly decide the position with respect to the individual and suggest accordingly.

b. Transparency and Audit ability

All directors, senior management and employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise.

c. Protection of Confidential Information

No director, senior management and employee shall disclose or use any confidential information gained in the course of employment/ association with the Company for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press, other publicity media or any other external agency except within approved policies.

d. Company Facilities

No director, senior management and employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

e. Leading by Example

The organisation's directors and senior management set the professional tone for the Company. Through both their words and their actions, the organisation's leadership conveys what is acceptable and unacceptable behavior. The directors, senior management and employees must constantly reinforce through their actions and behavior that the organisation's stated beliefs of responsible corporate citizenship are rooted in individual conviction and personal integrity.

3. RESPONSINITIES/DUTIES/OBLIGATIONS OF DIRECTORS AND SENIOR MANAGEMENT

The responsibilities, duties and obligations of Members of the board, directors including Executive/ Non-Executive/ Independent Directors and or Senior Management shall be subject to the adherence of the relevant laws, acts, rules/ regulations or any other amendments issued from time to time.

4. APART FROM THE ABOVE, 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 the professional conduct for independent directors, their roles and functions, duties, manner of appointment / re-appointment process, requirement of separate meetings of Independent Directors and evaluation mechanism is appended as **Annexure III** to this Code.

WAIVERS

Any waiver of any provision of this Code of Conduct for a director or senior management must be placed for approval before the Company's Board of Directors.

DISCLAIMER

This document is disclosed only to the recipient to whom this document is addressed and is pursuant to a relationship of confidentiality under which the recipient has obligations of confidentiality. The recipient, by receipt of this document, acknowledges that this document is confidential information and contains proprietary information belonging to The Ruby Mills Limited and further acknowledges its obligation to comply with the provisions of this notice.

Adopted by the Board of Directors of **The Ruby Mills Limited** as of 30th May, 2016.

ANNEXURE I

**ANNUAL CONFIRMATION OF COMPLIANCE WITH
THE CODE OF CONDUCT**

I, _____ (Name), Director/Senior Manager/Functional Head of **The Ruby Mills Limited**, hereby confirm that I have read the Code of Conduct applicable to Directors and Senior Management of the Company and that I have complied with the requirements of this Code during the period _____ to _____.

(Signature)

Date:

ANNEXURE II

FORMAT FOR ACKNOWLEDGEMENT OF THE CODE

I, _____ (Name), Director/Senior Manager/ Functional Head of **The Ruby Mills Limited**, hereby confirm that I have read the Code of Conduct applicable to Directors and Senior Management of the Company and that I acknowledge and accept the scope and extent of the code as adopted by the meeting of the Board of Directors dated 30th May, 2016

(Signature)

Date:

Annexure III
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 a 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. scrutinise 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 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 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 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 required by law.

IV. 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 fulfils 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 formalised through a letter of appointment, which shall set out:

- a. the term of appointment;
 - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d. provision for Directors and Officers (D and O) insurance, if any;
 - e. the Code of Business Ethics that the company expects its directors and employees to follow;
 - f. the list of actions that a director should not do while functioning as such in the company; and
 - g. the 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. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

VII. 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:
 - a. review the performance of non-independent directors and the Board as a whole;
 - b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - c. 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.

VIII. 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