

INDO RAMA SYNTHETICS (INDIA) LIMITED
(CIN: L17124MH1986PLC166615)**CODE FOR INDEPENDENT DIRECTORS**

[Pursuant to Regulation 17(5) (b) of SEBI (LODR) Regulations, 2015 and Schedule-IV read with Section 149 (8) and 166 of the Companies Act, 2013]

This Code is a guide to professional conduct for Independent Directors and the Independent Directors are expected to adhere to these standards and fulfill their responsibilities in a professional and faithful manner. This Code shall form part of the Code of Conduct for Board and Senior Management.

1. Guidelines of professional conduct:

An Independent Director shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in *bona fide* manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. 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;
- vi. 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;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices;

2. Role and Functions:

The Independent Directors shall:

- i. 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;
- ii. bring an objective view in the evaluation of the performance of the board and management;
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;
- viii. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

3. Duties:

The Independent Directors shall –

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ii. 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;
- iii. strive to attend all meetings of the Board of Directors and of the Board Committees of which they are members;

- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the Company;
- vi. 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;
- vii. keep themselves well informed about the Company and the external environment in which it operates;
- viii. not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- ix. 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;
- x. 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;
- xi. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy;
- xii. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii. 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;

4. Manner of Appointment:

- i. 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.
- ii. The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders.

- iii. 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 Companies Act, 2013 and the Rules made thereunder and that the proposed Director is independent of the management.
- iv. The appointment of Independent Directors shall be formalized 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 & 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 expense for participation in the Board's and other meetings and profit related commission, if any.
- v. 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.
- vi. The letter of appointment along with the detailed profile of Independent Directors shall also be posted on the Company's website.

5. Re-appointment:

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

6. Maximum tenure of Independent Directors

An independent director shall hold office for a term upto five consecutive years on the Board of a Company and shall be eligible for re-appointment for second term of five consecutive years on passing of a special resolution by the Company.

Independent Director, who completes his term as aforesaid, shall be eligible for appointment as Independent Director in the Company only after expiry of three years of him ceasing to be an Independent Director in the Company.

7. Resignation or Removal:

- i. The resignation or removal of an Independent Director shall be in the same manner as is provided in Sections 168 and 169 of the Companies Act, 2013 and the Rules made thereunder.
- ii. An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within three months from the date of such resignation or removal, as the case may be.
- iii. Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

8. Separate meetings:

- i. 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;
- ii. All the Independent Directors of the Company shall strive to be present at such meeting.
- iii. 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.

9. Limit on number of Directorships

- i. A person shall not serve as an Independent Director in more than eight listed Companies with effect from 1st April 2019 and in not more than seven listed Companies with effect from 1st April 2020.
- ii. Further, any person who is serving as a Whole-time Director/Managing Director in any listed Company shall serve as an Independent Director in not more than three listed Companies.

10. Evaluation Mechanism:

- i. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- ii. 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.

11. Training for Independent Directors

The Independent Directors shall attend the training programme as may be organized by the Company in order to familiarize them with the Company, their role, responsibilities, rights in the Company, nature of industry in which the Company operates, business model of the Company, etc.

Note: This Code of Conduct modified and approved by the meeting of Board of Directors held on 14th February, 2020.

CERTIFICATE OF INDEPENDENCE TO ACT / CONTINUE AS AN INDEPENDENT DIRECTOR IN PURSUANCE OF THE PROVISIONS OF SECTION 149(6) OF THE COMPANIES ACT, 2013

Date:

To

The Board of Directors
Indo Rama Synthetics (India) Limited
20th Floor, DLF Square,
DLF Phase-2, NH-8,
Gurugram - 122001.

Sub: Certificate of Independence Pursuant to Section 149(6) of the Companies Act, 2013.

Sir,

I, _____ residing at _____ hereby certify, undertake and confirm that I satisfy the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Signature:

Name:

DIN:

The Board of Directors
Indo Rama Synthetics (India) Limited
CIN: L17124MH1986PLC166615
20th Floor, DLF Square
DLF Phase-2, NH-8
Gurugram - 122 002

Sub: Declaration of Independency of Directorship for the purpose of Section 149(7) of the Companies Act, 2013 ("Act").

I, _____, S/o Shri _____, born on _____, resident of _____, hereby declare / confirm that:

- 1) I am or was not a Promoter of the Company or its holding, Subsidiary or Associate Company;
- 2) I am not related to the Promoters or Directors of the Company or its holding, Subsidiary or Associate Company;
- 3) I do not have / had any pecuniary relationships, other than remuneration as such Director or having transaction not exceeding ten percent of his total income or such amount as may be prescribed with the Company, its holding, Subsidiary or Associate Company, or its Promotes, its Directors, during the two immediately preceding or current financial years;
- 4) Neither of my relatives,
 - (i) is indebted to the Company its holding, Subsidiary or Associate Company, or its Promoters, its Directors in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (ii) has given a guarantee or provided security in connection with the indebtedness of any third person to the Company its holding, Subsidiary or Associate Company, or its Promoters, its Directors of such holding Company for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) is holding any security of or interest in the Company, its holding, Subsidiary or Associates Company during the two immediately preceding financial years or during the current financial year;
 - (iv) neither of my relatives had pecuniary relationships or transactions with the Company, its holding, Subsidiary or Associate Company or its Promoters or its Directors amounting to 2% or more of gross turnover / total income singly or in combination with the transactions not exceeding Rs.50 Lakhs or 2% of the paid-up capital of the Company its holding, Subsidiary or Associate Company.

- 5) Neither myself nor any of my relatives:-
- (i) holds or has held the position of Key Managerial Personnel or is or has been employee of the Company or its holding Company or Subsidiary or Associate Company in any of the preceding three financial years; or
 - (ii) is or has been employee or proprietor or partner, in any of the preceding three financial years, of a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, Subsidiary or Associate Company;
 - (iii) is or has been employee or proprietor or partner, in any of the preceding three financial years, of any legal or consulting firm that has or had any transaction with the Company, its holding, Subsidiary or Associate Company amounting to ten percent or more of gross turnover of such firm.
- 6) I do not hold, together with my relatives, two percentage or more of the total voting power of the Company;
- 7) I am not Chief Executive Officer or a Director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its Promoters, Directors or its holding, Subsidiary or Associate Company or that holds two percent or more of voting power of the Company;
- 8) I am not a material supplier service provider or customer or a lesser or lessee of the listed entity;
- 9) I have applied in Form DIR-1 for inclusion of my name in the list of eligible persons to be maintained by Indian Institute of Corporate Affairs (IICA);
- 10) I do hereby declare that I meet the criteria of independence as provided in clause (b) of sub-regulation (1) of Regulation 16 and that I am not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact my ability to discharge my duties with an objective independent judgement and without any external influence.

I further declare / confirm that there is no change in circumstances, which affect my status as an Independent Director in the Company.

Place: _____
Date: _____

Signature :
Full Name: