



SIMRAN FARMS LIMITED

(Farmers' Friends Since 1989)

CIN:- L01222MP1984PLC002627

CODE OF ETHICS AND BUSINESS CONDUCT

(STRICTLY FOR CIRCULATION AMONG DIRECTORS, SENIOR MANAGEMENT
AND DESIGNATED EMPLOYEES ONLY**)**

SIMRAN FARMS LIMITED

CODE OF ETHICS AND BUSINESS CONDUCT

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NOTE: Throughout the Code of Ethics and Business Conduct, the term “Company” refers to Simran Farms Limited and/or the subsidiary in which an employee works, depending on context.

1.INTRODUCTION

This Code of Ethics and Business Conduct represents an overview of the corporate policies that should govern the actions of all employees, officers and directors of Simran Farms Limited and its subsidiary. The Code is designed to provide written standards to promote honest and ethical conduct, compliance with law, and a vehicle for prompt internal reporting and accountability to assure adherence to the Code.

The policies and procedures contained in this Code do not constitute a legal contract and may be changed, modified or discontinued from time to time without notice (except as required by law) and in the sole discretion of the Company.

The Company considers Corporate Governance as an integral part of good management. This Code of Ethics and Business Conduct is an integral part of the Company's commitment to good Corporate Governance.

2.APPLICABILITY

The Code of Ethics and Business Conduct will apply to all the members of Board of Directors and all the Designated Employees of the Company whether permanent fixed term or temporary and wherever located including management trainees, collectively referred to as Directors and Employees of the Company.

3.HONEST AND ETHICAL CODE

The Company expects all the Directors and the Employees of the Company to act in accordance with highest professional standards, high morals, integrity and ethics.

4.CONFLICTS OF INTEREST

Everyone must carry out his/her professional responsibilities with integrity and with a sense of loyalty to the Company. Everyone must avoid any situation that involves a possible conflict or an appearance of a conflict of interest between your personal interests and the interests of the Company. Knowingly acting in a manner that presents a conflict between your personal interests and the best interests of the Company is a violation of this Code.

A conflict of interest cannot be defined precisely, only illustrated. The basic factor that exists in all conflict situations is a division of loyalty between the Company's best interests and the personal interest of the individual.

Employees must disclose existing or emerging conflicts of interest to their manager and follow the guidance provided. Executive officers and directors must disclose existing or emerging conflicts of interest to the Chairman and Managing Director.

5.FINANCIAL AND ACCOUNTING REPORTING

Authority to Make Commitments

Only specific employees are authorized to make financial or other commitments on behalf of the Company. No one should make any commitment on behalf of the Company unless they have the authority to do so.

Bribes

The use of Company funds for payments to any individual, company or organization for the purpose of obtaining favorable treatment in securing business or other special considerations is prohibited.

Integrity of Records and Reports

The Company's accounting records are relied upon to produce reports to the Company's management, shareholders, government agencies and others. All Company accounting records and reports produced from those records shall be kept and presented in accordance with the applicable laws.

Payments and Disbursements

All payments made by or on behalf of the Company must be documented in the accounting records with appropriate approval(s) and an adequate description of the business purpose of the disbursement.

Cash Deposits and Bank Accounts

All cash received by the Company shall be promptly recorded in the accounting records and deposited in a bank account properly authorized by the Company. All bank accounts and other cash accounts shall be clearly and accurately recorded in the accounting records.

Cooperation

Employees shall provide complete and accurate information in response to inquiries from the Company's internal and outside independent auditors as well as the Company's legal counsel.

6. PROTECTION AND PROPER USE OF COMPANY'S ASSETS

The Company's assets are to be used exclusively in the pursuit of the Company's business except for minimal personal use authorized by your supervisor in accordance with other Company policies.

The Directors and Employees shall return the Company's assets entrusted to them

while in office, when they are leaving the service or office of the company.

7. SUSTAINABLE ENVIRONMENTAL PROTECTION

The Company strives to preserve the environment for future generations by striking a balance between economic growth and continuously improving environmental performance and social responsibility. The Directors and Employees must adhere to the policy.

8. CONFIDENTIAL INFORMATION

Many employees get conversant with the confidential Company information in the course of their jobs and use it to perform important functions. It is vitally important that all employees handle confidential information properly.

There are two major concerns:

- Preventing the release of unauthorized or inappropriate information that might adversely affect the Company's business; and
- Avoiding violations of the law, particularly the securities laws relating to disclosure of material financial information before the information is made public.

9. "INSIDE" INFORMATION AND INSIDER TRADING

No one shall trade in the Company's stock when they have material information about the Company that is not yet public. Furthermore, no one shall communicate material non-public information to persons outside the Company so that they may profit

from transactions in the Company's securities.

Engaging in insider trading, or providing confidential information that is used in insider trading is illegal and can result in substantial fines and criminal penalties to you.

10.ACCEPTING GIFTS AND GRATUITIES

Except as provided, no one will solicit or accept for herself/himself or for a third party anything of value from anyone in return for any business, service or confidential information of the Company. Things of value include gifts, meals, favors, services and entertainment. The purpose of this policy is to ensure that the Company's business is safeguarded from undue influence of bribery and personal favors.

11.EQUAL EMPLOYMENT OPPORTUNITY

The Company provides equal employment opportunities to all its Employees, without regard to their caste, religion, color, marital status and sex. The policies and practices shall be administered in a manner that ensures equal opportunity to the eligible candidates and the decisions are merit bases.

12.POLICY AGAINST HARASSMENT

The Company is committed to provide a work environment where all employees work free from harassment because of race, color, religion, age, gender, sexual orientation, national origin, disability or any characteristic protected by applicable law. The Company will not tolerate harassment by employees, supervisors, customers or others.

Our policy is essentially based on common sense: all employees should treat each other with respect and courtesy. Harassment in any form – including verbal physical and physiological conduct, visual displays, threats, demands and retaliation – is prohibited.

Any employee who has reason to believe that he/she is being harassed must promptly report the harassment. The Company will promptly investigate allegations of harassment and to the extent possible, conduct such investigations confidentially. Any employee who is found to have violated this policy is subject to disciplinary action.

13.COMPUTER NETWORKS, VOICE MAIL, E-MAIL AND THE INTERNET

Many employees have access to computer networks, voice mail, e-mail and/or the Internet to do their jobs. These tools come with risks and responsibilities that all employees must understand and accept.

All the must use these resources only for the business activities of the Company.

14.ILLEGAL AND IMPAIRING SUBSTANCES

No one shall possess, use, sell, distribute or be under the influence of illegal drugs or alcohol while on Company property or while conducting Company business anywhere. Such behavior is a violation of Company policy in addition to being a violation of the law.

15.WORKPLACE VIOLENCE

The Company expressly prohibits any acts of violence or threats of violence by any

Company employee against any other person in or about Company facilities or in connection with the conduct of Company business elsewhere at any time.

Everyone is prohibited from possessing firearms while on Company property or while conducting Company business anywhere at any time unless authorized by the Company.

16. FAIR PRACTICES

Marketing Practices

The Company's products and services must be sold fairly and honestly. The Company is committed to respect the principles and rules of fair competition prohibiting anti-competitive behavior and abuse of dominant market position. You should not attempt to take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice. Many of the products and services provided by the Company are subject to laws and regulations that specify the information that must be provided to the Company's customers. It is the policy of the Company to comply fully with these disclosure requirements.

17. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

As an Independent Director, you hold a fiduciary duty, to use the best of your skill and ability to safeguard the interest of the Company, ensure high level of governance, aspire to fulfill the aspirations of stakeholders and share your valuable time and expertise so as to enable the Company to strive for profitable growth. The role, functions and duties expected from an

Independent Directors are set out in Schedule IV of the Companies Act, 2013. Additionally, Independent Directors are also bound by the duties imposed on the Board and Directors under section 166 of the Companies Act, 2013 (including the actions a Director should not do whilst functioning as such in the Company) and Clause 49(I)(D) of the revised Listing Agreement(Effective from 1st October, 2014).

The relevant regulatory provisions are extracted and enclosed as Annexure A. Apart from the Code of Conduct as given in **Annexure A**, this "Code of Business Conduct and Ethics" shall also apply to you.

18. RESPONSIBILITY

Each Director and Employee of the Company will be responsible for the observance of this Code of Conduct in both letter and spirit to the extent relevant and applicable to them. Non-compliance with this Code may be subject to disciplinary actions including termination.

19. ADMINISTRATION OF THE CODE OF ETHICS AND BUSINESS CONDUCT

Every Employee Has an Obligation to:

- **Comply** with this Code of Ethics and Business Conduct;
- **Be familiar** with laws and Company policies applicable to his/her job and communicate them effectively to subordinates;

20. WAIVERS

You must request a waiver of a provision of this Code if there is a reasonable likelihood

that your contemplated action will violate the Code.

If a waiver request relates to an executive officer or director, the determination with respect to the waiver shall be made by the Audit Committee of the Board of Directors, in consultation with such legal counsel as the Audit Committee deems appropriate. Any waivers granted by such committee shall be submitted to the Board for ratification.

If a waiver request relates to any other employee, the determination shall be made by the Chairman/Managing Director,

21. REVIEW, AMENDMENT & MODIFICATION

This Code of Conduct may be reviewed, amended, modify or waived by the Company's Board of Directors as and when required or deemed necessary based on experience and suggestions.

22. OUTSIDERS RECOURSE

No outsider will have any right or recourse to any action or claim of whatsoever nature against any of the Directors or Employees for non-compliance of this code.

23. REPORTING YOUR CONCERNS TO MANAGEMENT

Any employee having information about a violation (or suspected violation) of this Code should report the violation in writing to the Human Resources Department.

Executive officers and directors may submit any reports of violations (or suspected

violations) of this Code in writing to the Chairman and Managing Director.

If the violation involves the Chairman and Managing Director, then the employee should report the violation by informing the Chairman of the Audit Committee Concerns regarding questionable accounting or auditing matters should be handled under the procedures for confidential, anonymous submissions established by the Audit Committee.

24. APPROVAL BY BOARD

This policy has been amended as per the norms of Clause 49 and applicable provisions of Companies Act, 2013 and approved by "Audit Committee" of Board of Directors of Simran Farms Limited at their meeting held on 29th Day of May, 2014.

25. EFFECTIVE DATE OF POLICY

This Policy on "Code of Ethics & Business Conduct" will be effective from 1st Day of June, 2014.

ANNEXURE A

SECTION 166 OF THE COMPANIES ACT, 2013 – DUTIES OF DIRECTOR

(1) Subject to the provisions of this Act, a Director of a company shall act in accordance with the articles of the company.

(2) A Director of a company shall 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.

(3) A Director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

(4) A Director of a company 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.

(5) A Director of a company 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 director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

(6) A Director of a company shall not assign his office and any assignment so made shall be void.

(7) If a Director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not

be less than one lakh rupees but which may extend to five lakh rupees.

CLAUSE 49(I)(D) OF THE REVISED LISTING AGREEMENT

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment 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 there under 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 :

(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:

(1) 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.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) 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.

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.