

CODE OF CONDUCT
For Board members and Senior Management Personnel

1. INTRODUCTION

- 1.1 Neuland Laboratories Limited (the “**Company**”), in its constant endeavour to improve and maintain the highest standards of Corporate Governance has revised its Code of Conduct for Directors and Senior Management to comply with the provisions of Companies Act, 2013 (“**The Act**”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereof.
- 1.2 This Code of Ethics and Code of Conduct shall be called “**The Code of Conduct for Board Members and Senior Management Personnel**” (the “**Code**”) of the Company.
- 1.3 This Code supersedes the earlier ‘Code of Conduct for Directors and Senior Management’ of the Company and shall be effective from October 29, 2015.

2. OBJECTIVE

- 2.1 The objective of the Code is to promote honest and ethical conduct and disclose in a transparent manner the values in accordance to which the business of the Company will be conducted and encourage the observance of those standards to protect and promote the interests of shareholders and all other stakeholders (including but not limited to employees, customers, suppliers, creditors, lenders and society at large); The Board is of the view that the standards should apply to itself and to the Senior Management of the Company should be higher than those that are applicable to all employees. Accordingly, compliance with this Code is a condition of employment and service for Whole Time Directors and Senior Management.

3. DEFINITIONS

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them as under:

- 3.1 “**Board Members**” shall mean the members on the Board of Directors of the Company.
- 3.2 “**Whole-time Directors**” shall mean the Board members who are in Whole-time employment of the Company including the Chairperson and Managing Director.
- 3.3 “**Non-Executive Directors**” shall mean the Board members who are not Whole-time Directors and include Independent Directors of the Company.
- 3.4 “**Relative**” shall mean a ‘relative’ as defined under Section 2(77) of the Companies Act, 2013.

- 3.5 “**Senior Management Personnel**” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would normally comprise all members of management one level below the Executive Directors, including all functional heads.
- 3.6 “**Duties of Directors / Independent Directors**” shall mean and include duties as laid down in the Companies Act, 2013 and Listing Regulations enumerated in Annexure I.
- 3.7 “**Listing Regulations**” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereof.

4. **APPLICABILITY**

The Code shall be applicable to the following:

- i) Whole-time Directors
- ii) Non-Executive Directors including Independent Directors
- iii) Senior Management Personnel

5. **THE CODE**

- 5.1 The Board Members and Senior Management Personnel shall function within the authority conferred upon them by the Company, keeping in view the best interest of the Company.
- 5.1.1 All Directors and Whole Time Directors acting collectively as a Board, function under the principle of collective responsibility and will always act in the interest of the Company.
- 5.1.2 In making its decisions, the Board shall take into account, and balance the various and sometimes conflicting interests of all the stakeholders. All decisions of the Board shall be made in good faith and in the best interests of the Company.
- 5.1.3 The Board members, in discharge of their fiduciary duties, will exercise due care, competence and diligence as a reasonable and prudent person, and exercise the highest standards of integrity and ethics.

5.2 **Honest and ethical conduct**

- 5.2.1 Whole Time Directors and Senior Management will pro-actively promote and set an example of ethical behavior and integrity to the employees of the Company, in the discharge of their official duties and obligations
- 5.2.2 Confidential information acquired in the course of one’s position, work and responsibility will not be used for personal gain or advantage, nor be disclosed to a third party unless required by law to do so.
- 5.2.3 Applicable laws, rules and regulations will be complied with in letter and in spirit in all

the jurisdictions in which the Company operates.

5.3 Workplace free of harassment

5.3.3 Neuland is committed to providing a work environment free of harassment based on caste, colour, sex, race, religion, medical condition, marital status, age, sexual orientation, ethical belief or on any other basis. All such harassment is unlawful. This is applicable to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company towards other employees including juniors, supervisors, outside vendors, clients etc. We will treat people fairly and with respect and we will promote a culture where diversity is valued and full capabilities of individuals are harnessed and developed to the benefit of customers, employees and the business.

5.4 Conflict of interest

5.4.1 A conflict of interest exists, where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Transactions, commitments and other activities which are not in the best interests of the Company or which have the potential to develop into a conflict of interest, should be avoided. Conflicts of interest between personal and professional relationships will be avoided, and if legally permitted, shall be fully disclosed to the Board by the person engaging in such transaction.

5.4.2 Any activity that interferes adversely with performance Any activity that interferes adversely with performance, duties and obligations or is otherwise in conflict with or prejudicial to the Company is prohibited.

5.4.3 Whole Time Directors and Senior Management will devote their full attention and time to the business interests of the Company. Whole Time Directors and Senior Management will not render any professional service to or accept remuneration or compensation in cash or kind from suppliers, customers, consultants or competitors to the Company.

5.4.4 The Board and Senior Management will not take part in any activity that enhances or supports a competitor's position, unless there is a definite benefit for the Company.

5.4.5 It is a conflict of interest to serve as a Director of a company that competes with the Company. Senior Management must obtain the approval of the Board before accepting any position with another company, even a non-competitor and even if honorary.

5.4.6 Any information concerning the Company's business, its customers, suppliers, etc, and to which the Board Members and Senior Management Personnel have access or possesses such information, must be considered confidential and held in confidence. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other public media, except as required in the performance of the duties. However, Board Members and Senior Management Personnel shall be free to disclose such information which is -

- i) Part of the public domain at the time of disclosure.
- ii) Authorized or required to be disclosed pursuant to a decision of the Board.

- iii) Required to be disclosed in accordance with applicable laws, rules, regulations or guidelines.
- 5.4.7 Any Whole Time Director or Senior Management, in considering investing in any customer, supplier, developer or competitor of the Company (except purchase of equity or debt instruments of listed companies), must take care to ensure that these investments do not compromise their responsibilities to the Company. Prior approval of the Audit Committee of the Board is necessary for making any such investment. While making such investment, the factors for determining conflict of interest include the size and nature of such investment, the ability of the proposed investor to influence the Company's decisions, access to confidential information of the Company or the other company, and the nature of the relationship between the Company and the other company.
- 5.4.8 The Board Members and Senior Management Personnel shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.
- 5.4.9 Solicitation or acceptance by a member of the Board or Senior Management and their immediate family members, of a personal loan or guarantee from a customer in any capacity or supplier of products or services is not allowed.
- 5.4.10 Whole Time Directors and Senior Management shall not accept any offer, payment, promise to pay or authorize payment of any money or gift of value, from customers, suppliers, vendors or authorities, that is perceived as intended directly or indirectly to influence any business decision. Inexpensive gifts, business meals, celebratory events and official entertainment, provided they are not excessive or create an appearance of impropriety, do not breach the Code and are permitted. Gifts given or received should be appropriate to the circumstances and never excessive.
- 5.4.11 None of the members of the Board or Senior Management shall exploit for their personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed in writing to the Audit Committee of the Board and the Board declines to pursue the opportunity.

6. PREVENTION OF INSIDER TRADING

The Board Members and Senior Management Personnel shall comply with the Code for Prevention of Insider Trading.

7. MEDIA COMMUNICATION

- 7.1 Whole time Directors and any person designated by the Chairman & Managing Director shall be Corporate Spokespersons and shall be responsible for the following:
- 7.1.1 Corporate Disclosure of unpublished price sensitive information.
 - 7.1.2 Ensure that the Company complies with continuous disclosure requirements mentioned under Shareholding Disclosure Practices.

- 7.1.3 Oversee and co-ordinate disclosure of price sensitive information to stock exchanges, analysts, shareholders and media
- 7.1.4 Educate employees on these disclosure policies and procedure.
- 7.1.5 If any information is accidentally disclosed without prior approval, the person responsible shall inform the Corporate Spokesman immediately, even if the information is not considered price sensitive.
- 7.1.6 Decide whether a public announcement is necessary for verifying or denying rumours and then make the disclosure.

Except for the above, no Board Member and Senior Management Personnel of the Company shall interact with media, in respect to any matter related to the Company, without prior approval of the Board.

8. PLACEMENT OF THE CODE ON WEBSITE

- 8.1 Pursuant to the Listing Regulations and any amendments thereof, the 'Code' shall be uploaded on the website of the Company.

9. INTERPRETATION OF CODE

- 9.1 Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person /committee authorized by the Board of the Company.
- 9.2 Any deviation/breach of the Code will be treated with due seriousness and prompt action taken to redress the same.

10. ANNUAL COMPLIANCE REPORTING

All Board Members and Senior Management Personnel shall affirm compliance of this Code within 15 days of close of every financial year in the proforma enclosed as Annexure III to this Code. The Annual Report of the Company shall contain a declaration to this effect and signed by the Chairman and Managing Director.

11. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code in the acknowledgement form annexed to this Code vide Annexure-II.

12. AMENDMENTS TO THE CODE

Any amendment to the provisions of the Act and Listing Regulations to the Code of Conduct for Board Members and Senior Management Personnel shall be incorporated in the Code with the approval of Chairman & Managing Director, and shall be informed to the Board.

Annexure-I

Duties of Directors

Pursuant to the provisions of Section 166 of the Companies Act, 2013, the duties of directors are:

- (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.

Duties of Independent Directors

Pursuant to Schedule IV [section 149(8)] of the Companies Act, 2013, 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.

Annexure-II

NEULAND LABORATORIES LIMITED

ACKNOWLEDGEMENT FORM

I, _____, have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :

Name :

Designation :

DIN :

Place :

Annexure-III

NEULAND LABORATORIES LIMITED

**Compliance of the Code of Conduct by all Board Members and Senior Management
Personnel of the Company**

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ANNUAL COMPLIANCE REPORT*

I, _____, do hereby solemnly affirm to the best of my knowledge and belief that I have, in letter and in spirit, complied with the provisions of the **Code of Conduct for Board Members and Senior Management Personnel** during the financial year ending 31st March _____.

Signature :

Name :

Designation :

DIN :

Date :

Place :

* To be submitted by 15th April each year.