

ASPINWALL & CO. LTD.

**CODE OF CONDUCT FOR
DIRECTORS & SENIOR MANAGEMENT**

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ASPINWALL & CO. LTD.

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

1. PREAMBLE

- 1.1 This Code of Business Conduct (“Code”) shall be called “The Code of Conduct for Directors and Senior Management” of Aspinwall & Co. Ltd. (the “Company”). The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.
- 1.2 The Code is intended to maintain the high standards of transparency, business conduct and ethics. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company’s commitment to successful operation of the Company’s business in the best interest of the shareholders, creditors, employees and other business associates.
- 1.3 The principles embodied in this Code lay down broad standards of compliance and ethics, as required by Clause 49 of the Listing Agreement with the Stock Exchanges where securities of the Company are listed.

2. DEFINITIONS & INTERPRETATION

- 2.1 Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

“**Board**” shall mean the Board of Directors of the Company.

“**Directors**” shall mean the Executive Directors and Non-Executive Directors on the Board.

“**Company**” shall mean Aspinwall & Co. Ltd.

“**Compliance Officer**” shall mean the Company Secretary of the Company.

“**Executive Directors**” shall mean Managing Directors and Whole Time Directors.

“**Non-Executive Directors**” shall mean the Directors who are part-time directors and are not in whole time employment of the Company.

“**Relative**” shall mean ‘relative’ as defined in Section 2(41) and Section 6 read with Schedule 1A of the Companies Act, 1956, as reproduced in Annexure I hereto.

“**Senior Management Personnel**” shall mean personnel of the Company who are members of its core management team (excluding Directors) and who occupy the position of chiefs/heads of various functions in the Company.

- 2.2 In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

3. APPLICABILITY

The Code is applicable to the Directors and Senior Management Personnel of the Company.

4. CONDUCT SPECIFICATIONS

4.1 Honesty & Integrity

- a) All Directors and Senior Management Personnel shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior Management Personnel shall act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated.
- b) All Directors and Senior Management Personnel shall discharge their duties in the best interests of the Company and fulfill their fiduciary obligations.

4.2 Financial reporting and records

- a) The Company shall prepare and maintain its financial statements fairly and accurately in accordance with the applicable laws and accounting standards.
- b) Internal accounting and audit procedures shall fairly and accurately reflect all of the Company’s business transactions and disposition of assets. All required information shall be accessible to the Company’s auditors and other authorised parties.
- c) Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.

4.3 Conflict of Interest

- a) Directors and Senior Management Personnel of the Company should not enter into any transactions of material nature, which are or are likely to be in conflict with interest of the Company
- b) Directors and Senior Management Personnel shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property,

- information or position, unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity for the Company.
- c) All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict.
 - d) If the Director or Senior Management fails to make a disclosure as required herein, and the Board of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, the Board would take a serious view of the matter and consider suitable disciplinary action against the person concerned.
 - e) Conflicts mentioned in this clause can arise in many situations. A conflict of interest, actual or potential, may, arise inter alia where, directly or indirectly:
 - (i) the person engages in a business, relationship or activity that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the interests of the Company.
 - (ii) the person is in a position to derive a personal benefit or a benefit to any of his or her relatives by making or influencing decisions relating to any transaction;
or
 - (iii) an independent judgment of the Company's best interest cannot be exercised.
 - f) The main areas of such actual or potential conflicts of interest include the following:
 - (i) financial interest of the person or his relatives, including the holding of an investment to an extent of 2% or more in the subscribed share capital of any company or share to an extent of 2% or more in any firm which is an actual or potential competitor, joint venture or other alliance partner, or a material supplier, customer, distributor or other person having a material business relationship with the Company.
 - (ii) the person conducting business on behalf of the Company, or being in a position to influence a decision with regard to the Company's business with a supplier or customer of which his or her relative is a principal officer or representative, resulting in a benefit to him/her or his/her relative.
 - (iii) award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of the person, where such an individual is in a position to influence the decision with regard to such benefits.
 - (iv) acceptance of gifts, donations, hospitality and/or entertainment beyond the

customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.

4.4 Compliance with Laws/Rules & Regulations

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behaviour, Directors and Senior Management Personnel must report to the Compliance Officer any possible violation of law, rules, regulation of this Code.

4.5 Company Meetings

The Directors should attend the Board/General meetings comprehending the agenda of the meeting circulated to them. They should also endeavour to attend all the Board Meetings scheduled in the year.

4.6 Other Directorships – Disclosures

The Directors should promptly disclose their appointment/cessation from directorship of other companies.

4.7 Related Party Disclosures

The Directors shall make disclosure to the Board, and the Senior Management Personnel shall make disclosure to the Mg. Director of the Company with respect to any transaction with the Company in which such person is interested and in respect of which a conflict of interest can arise between the Company and the person concerned.

Such disclosure shall be in accordance with the Accounting Standard (AS) 18 issued by the council of the Institute of Chartered Accountants of India in respect of “Related Party Disclosures”, a copy of which is enclosed as Annexure II hereto.

4.8 Confidentiality of Information

- a) Any information concerning the Company’s business, its customers, suppliers etc., which is not in public domain and to which Directors and Senior Management Personnel have access or which is possessed by them by virtue of their position/status in the Company must be considered confidential and held in confidence, unless (i) authorised by the Board; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.
- b) Directors and Senior Management Personnel shall not provide any information either formally or informally, to the press or any other publicity media, unless specifically authorised. In all its public appearance with respect to disclosing information in relation to the Company’s activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorised Directors and/or employees,

which the Board may authorize. The list of such authorised Directors/employees of the Company shall be notified to the Directors/Senior Management personnel from time to time.

4.9 Insider Trading

- a) Directors and Senior Management Personnel should not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information.
- b) All Directors and Senior Management Personnel should comply with 'Code of Conduct for Prevention of Insider Trading in Shares of the Company' circulated by the Company and all insider-trading guidelines issued by the Securities Exchange Board of India.

4.10 Internal Control System

Directors and Senior Management Personnel should maintain and should cause the Company to maintain a proper and adequate system of internal controls for financial reporting.

4.11 Corporate Governance

Directors and Senior Management Personnel should sincerely follow and should cause the Company to follow the philosophy of good corporate governance by possessing strong business fundamentals and delivering high performance through relentless focus on transparency, accountability, professionalisation and corporate social responsibility for enhancing shareholders' value and contributing to society at large.

4.12 Human Resources/Employee Relations

- (a) Directors and Senior Management Personnel should strive for causing the Company to maintain cordial employee relations.
- (b) Executive Directors and Senior Management Personnel should cause the Company to build competency-based human resource systems and maintain human resources policy that has been directed at managing the growth of the organization efficiently.
- (c) Executive Directors and Senior Management Personnel should assist the Company in further aligning its human resource policies, process and initiatives to meet its business needs.

4.13 Respect for the Individual

- (a) The Company's vision is based on inspiring and developing outstanding people. This will only be possible in an environment where we all respect the rights of those around us.
- (b) Executive Directors and Senior Management Personnel should ensure that:
 - (i) Subject to compliance with applicable laws regarding positive discrimination, individuals in all aspects of employment are not discriminated against on the basis of race, religion, colour, age, disability, gender, sexual orientation or marital status, and the sole criterion for recognition within the Company be that of work performance.
 - (ii) Racial, sexual or any other kind of harassment is not tolerated within the Company.
 - (iii) Personal beliefs of individuals are respected and that Company specifically disassociates itself from any activity, which challenges our commitment to cultural diversity and equal opportunities.

4.14 Health, safety and environment

- a) Executive Directors and Senior Management Personnel should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the territory it operates in. The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.
- b) Executive Directors and Senior Management Personnel should ensure that the Company adopts most efficient energy management system, prevention of energy waste and utilization of natural resources in all plants.

4.15 Quality of products and services

Executive Directors and Senior Management Personnel should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction.

Executive Directors and Senior Management Personnel should cause the Company to strive towards proper application and adoption of product safety standards and applicable to the industry.

4.16 Shareholders

Directors and Senior Management Personnel shall be committed to enhance shareholder value and in ensuring that the Company complies with all regulations and laws that govern shareholders' rights. Directors and Senior Management Personnel should cause the Board to duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

5. AFFIRMATION OF THE CODE

- 5.1 All Directors and Senior Management Personnel should sign the acknowledgement form annexed as Annexure-III hereto and return the form to the Compliance Officer indicating that they have received, read and understood and agree to comply with the Code.

6. COMPLIANCE OFFICER

The Company Secretary shall act as compliance officer for the purpose of the Code, who shall be available to Directors and Senior Management Personnel to help them to comply with the code.

7. VIOLATION OF CODE

It shall be the duty of Directors and Senior Management Personnel to help the enforcement of the Code and any breach if communicated/noticed is to be reported to the Board. In case of breach of this Code by Directors and Senior Management Personnel, the same shall be considered by the Board for initiating appropriate action, as deemed necessary.

8. AMENDMENT

The provisions of this Code can be amended/modified by the Board from time to time and all such amendments/modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.

9. WEBSITE

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company: www.aspinwallgroup.com

ANNEXURE-I – MEANING OF ‘RELATIVE’

Extract of Section 6 of the Companies Act, 1956

6. A person shall be deemed to be a relative of another if, and only if:
- they are members of a Hindu undivided family; or
 - they are husband and wife; or
 - the one is related to the other in the manner indicated in Schedule IA

Schedule I-A: List of Relatives

1.	Father	2.	Mother (including step-mother
3.	Son (including step-son)	4.	Son's wife
5.	Daughter (including step-daughter	6.	Father's father
7.	Father's mother	8.	Mother's mother
9.	Mother's father	10	Son's son
11	Son's son's wife	12	Son's daughter
13	Son's daughter's husband	14	Daughter's husband
15	Daughter's son	16	Daughter's son's wife
17	Daughter's daughter	18	Daughter's daughter's husband
19	Brother (including step-brother)	20	Brother's wife
21	Sister (including step sister)	22	Sister's husband

ANNEXURE II
Accounting Standard 18 – Related Party disclosures

The following is the text of Accounting Standard(AS) 18, ‘Related Party Disclosures’ issued by the Council of the Institute of Chartered Accountants of India. This Standard comes into effect in respect of accounting periods commencing on or after 1-4-2001 and is mandatory in nature.

Objective

The objective of this Statement is to establish requirements for disclosure of;

- a) Related party relationships; and
- b) Transactions between a reporting enterprise and its related parties.

Scope

1. This Statement should be applied in reporting related party relationships and transactions between a reporting enterprise and its related parties. The requirements of this Statement apply to the financial statements of each reporting enterprise as also to consolidated financial statements presented by a holding company.

2. This statement applies only to related party relationships described in paragraph 3.

3. This statement deals only with related party relationships described in (a) to (e) below:

- a. enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries);
- b. associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture;
- c. individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- d. key management personnel and relatives of such personnel; and
- e. enterprises over which any person described in © or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

4. In the context of this Statement, the following are deemed not to be related parties;

- a. two companies simply because they have a director in common, notwithstanding paragraph 3(d) or (e) above (unless the director

- is able to affect the policies of both companies in their mutual dealings);
- b. a single customer, supplier, franchiser, distributor, or general agent with whom an enterprise transacts a significant volume of business merely by virtue of the resulting economic dependence; and
 - c. the parties listed below, in the course of their normal dealings with an enterprise by virtue only of those dealings (although they may circumscribe the freedom of action of the enterprise or participate in its decision making process);
 - i. providers of finance;
 - ii. trade unions;
 - iii. public utilities;
 - iv. government departments and government agencies including government sponsored bodies.
5. Related party disclosure requirements as laid down in this Statement do not apply in circumstances where providing such disclosures would conflict with the reporting enterprises's duties of confidentiality as specifically required in terms of a statute or by any regulator or similar competent authority.
 6. In case a statute or a regulator or a similar competent authority governing an enterprise prohibit the enterprise to disclose certain information which is required to be disclosed as per this statement, disclosure of such information is not warranted. For example, banks are obliged by law to maintain confidentiality in respect of their customers' transactions and this statement would not override the obligation to preserve the confidentiality of customer's dealings.
 7. No disclosure is required in consolidated financial statements in respect of intra-group transactions.
 8. Disclosure of transactions between members of a group is unnecessary in consolidated financial statements because consolidated financial statements present information about the holding and its subsidiaries as a single reporting enterprise.
 9. No disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

Definitions :

10. For the purpose of this Statement, the following terms are used with the meanings specified:
Related party – parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise

significant influence over the other party in making financial and/or operating decisions.

Related party transaction – a transfer of resources or obligations between related parties, regardless of whether or not a price is charged.

Control (a) ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or

(b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise, or

© a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

Significant influence – participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

An Associate – an enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party.

A joint venture – a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

Joint control – the contractually agreed sharing of power to govern the financial and operating policies of an economic activity so as to obtain benefits from it.

Key management personnel – those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise.

Relative – in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may be expected to influence, or be influenced by, that individual in his/her dealings with the reporting enterprise.

Holding company – a company having one or more subsidiaries.

Subsidiary – a company:

- a) in which another company (the holding company) holds, either by itself and/or through one or more subsidiaries, more than one half in the nominal value of its equity share capital; or

- b) of which another company (the holding company) controls, either by itself and/or through one or more subsidiaries, the composition of its board of directors.

Fellow subsidiary – a company is considered to be a fellow subsidiary of another company if both are subsidiaries of the same holding company.

State-controlled enterprise – an enterprise which is under the control of the Central Government and/or any State Government(s).

11. For the purpose of this Statement, an enterprise is considered to control the composition of:

- (i) the board of directors of a company, if it has the power, without the consent or concurrence of any other person, to appoint or remove all or a majority of directors of that company. An enterprise is deemed to have the power to appoint a director if any of the following conditions is satisfied;
 - a. a person cannot be appointed as director without the exercise in his favour by that enterprise of such a power as aforesaid; or
 - b. a person's appointment as director follows necessarily from his appointment to a position held by him in that enterprise; or
 - c. the director is nominated by that enterprise; in case that enterprise is a company, the director is nominated by that company/subsidiary thereof;
- (ii) the governing body of an enterprise that is not a company, if it has the power, without the consent or the concurrence of any other person, to appoint or remove all or a majority of members of the governing body; of that other enterprise. An enterprise is deemed to have the power to appoint a member if any of the following conditions is satisfied;
 - a. a person cannot be appointed as member of the governing body without the exercise in his favour by that other enterprise of such a power as aforesaid; or
 - b. a person's appointment as member of the governing body follows necessarily from his appointment to a position held by him in that other enterprise; or
 - c. the member of the governing body is nominated by that other enterprise.

12. An enterprise is considered to have a substantial interest in another enterprise if that enterprise owns, directly or indirectly, 20 percent or more interest in the voting power of the other enterprise. Similarly, an individual is considered to have a substantial interest in an enterprise, if that individual owns, directly or indirectly, 20 percent or more interest in the voting power of the enterprise.

13. Significant influence may be exercised in several ways, for example, by representation on the board of directors, participation in the policy

making process, material inter-company transactions, interchange of managerial personnel, or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement. As regards share ownership, if an investing party holds, directly or indirectly through intermediaries, 20 percent or more of the voting power of the enterprise, it is presumed that the investing party does have significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investing party holds, directly or indirectly through intermediaries, less than 20 percent of the voting power of the enterprise, it is presumed that the investing party does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investing party does not necessarily preclude an investing party from having significant influence.

14. Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise. For example, in the case of a company, the managing director(s), whole time director(s) manager and any person in accordance with whose directions or instructions the board of directors of the company is accustomed to act, are usually considered key management personnel.

The Related Party Issue

15. Related party relationships are a normal feature of commerce and business. For example, enterprises frequently carry on separate parts of their activities through subsidiaries or associates and acquire interests in other enterprises – for investment purposes or for trading reasons – that are of sufficient proportions for the investing enterprise to be able to control or exercise significant influence on the financial and/or operating decisions of its investee.
16. Without related party disclosures, there is a general presumption that transactions reflected in financial statements are consummated on an arm's-length basis between independent parties. However, that presumption may not be valid when related party relationships exist because related parties may enter into transactions which unrelated parties would not enter into. Also, transactions between related parties may not be effected at the same terms and conditions as between unrelated parties. Sometimes, no price is charged in related party transactions, for example, free provision of management services and the extension of free credit on a debt. In view of the aforesaid, the resulting accounting measures may not represent what they usually would be expected to represent. Thus a related party relationship could have an effect on the financial position and operating results of the reporting enterprise.
17. The operating results and financial position of an enterprise may be affected by a related party relationship even if related party transactions do not occur. The mere existence of the relationship may be sufficient to affect the transactions of the reporting enterprise with other parties. For

example, a subsidiary may terminate relations with a trading partner on acquisition by the holding company of a fellow subsidiary engaged in the same trade as the former partner. Alternatively, one party may refrain from acting because of the control or significant influence of another – for example, a subsidiary may be instructed by its holding company not to engage in research and development.

18. Because there is an inherent difficulty for management to determine the effect of influences which do not lead to transactions, disclosure of such effects is not required by this Statement.
19. Sometimes, transactions would not have taken place if the related party relationship had not existed. For example, a company that sold a large proportion of its production to its holding company at cost might not have found an alternative customer if the holding company had not purchased the goods.

Disclosure

20. The statutes governing an enterprise often require disclosure in financial statements of transactions with certain categories of related parties. In particular, attention is focused on transactions with the directors or similar key management personnel of an enterprise, especially their remuneration and borrowings, because of the fiduciary nature of their relationship with the enterprise.
21. Name of the related party and nature of the related party relationship where control exists should be disclosed irrespective of whether or not there have been transactions between the related parties.
22. Where the reporting enterprise controls, or is controlled by, another party, this information is relevant to the users of financial statements irrespective of whether or not transactions have taken place with that party. This is because the existence of control relationship may prevent the reporting enterprise from being independent in making its financial and/or operating decisions. The disclosure of the name of the related party and the nature of the related party relationship where control exists may sometimes be at least as relevant in appraising an enterprises's prospects as are the operating results and the financial position presented in its financial statements. Such a related party may establish the enterprise's credit standing, determine the source and price of its raw materials and determine to whom and at what price the product is sold.
23. If there have been transactions between related parties, during the existence of a related party relationship, the reporting enterprise should disclose the following:
 - i. the name of the transacting related party;
 - ii. a description of the relationship between the parties;
 - iii. a description of the nature of transactions.
 - iv. Volume of the transactions either as an amount or as an appropriate proportion;

- v. Any other elements of the related party transactions necessary for an understanding of the financial statements;
- vi. The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date; and
- vii. Amounts written off or written back in the period in respect of debts due from or to related parties;

24. The following are examples of the related party transactions in respect of which disclosures may be made by a reporting enterprise;

- Purchases or sales of goods (finished or unfinished)
- Purchases or sales of fixed assets;
- Rendering or receiving of services;
- Agency arrangements
- Leasing or hire purchase arrangements;
- Transfer of research and development
- Licence agreements
- Finance (including loans and equity contributions in cash or in kind);
- Guarantees and collaterals; and
- Management contracts including for deputation of employees.

25. Paragraph 23 (v) requires disclosure of any other elements of the related party transactions necessary for an understanding of the financial statements. An example of such a disclosure would be an indication that the transfer of a major asset had taken place at an amount materially different from that obtainable on normal commercial terms.

26. Items of a similar nature may be disclosed in aggregate by type of related party.

