

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL OF ELEGANT MARBLES AND GRANI INDUSTRIES
LIMITED**

(as adopted by the Board of Directors of Limited at its Meeting held on 12th August, 2014)

1.0 INTRODUCTION

Elegant Marbles and Grani Industries Limited commits itself to ethical and lawful business in line with Vision that is to:

- To create international landmarks through innovation and best practices thereby enhancing value to our customers.
- The Company's commitment to ethical and lawful business conduct is a fundamental shared value for the Board Members, Management & Employees and is critical to the success of the Company.

Consistent with its values and beliefs, Elegant Marbles and Grani Industries Limited has formulated the following Code of Conduct as a guide:

- 1.1. This Code of Conduct ("this Code") shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Elegant Marbles and Grani Industries Limited (hereinafter referred to as "the Company").
- 1.2. The subject Code has been framed specifically in compliance with the provisions of Clause 49 of the listing agreement with stock exchanges.
- 1.3. The purpose of this Code is to further enhance the ethical and transparent process in managing the affairs of the Company.
- 1.4. The revised Code shall come into force with immediate effect.

2.0 Definitions & Interpretations:

- 2.1 The term "Board Members" shall mean Directors on the Board of Directors of the Company.
- 2.2 The term "Whole-time Director" shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.
- 2.3 The term "Non-Executive Director" shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 2.4 Independent Directors shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing agreement (as revised from time to time)
- 2.5 The term "Conflict of Interest" means where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

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

2.7 Senior Management Members shall mean individuals who are designated as President / Vice President / General Managers and above and which term shall include all operational heads, irrespective of their designation.

3.0 **Applicability:**

3.1 This Code shall be applicable to the following persons:

3.1.1. Whole-time Directors including the Chairperson of the Company.

3.1.2. All Non-Executive Directors including Independent Directors unless specifically exempted from some provisions of this Code.

3.1.3. All Employees in the category of General Managers and above of Elegant Marbles and Grani Industries Limited (hereinafter referred to “Senior Management Personnel”).

3.2 The Whole-time Directors and Senior Management Personnel should continue to comply with other applicable / to be applicable policies, rules and procedures of the Company.

4.0 **Key Requirements :**

4.1. The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company and observe the following Code of Conduct:

4.1.1. Shall act honestly, diligently and in good faith and integrity in all their dealings with and for the Company.

4.1.2. Shall act in accordance with highest standards of integrity, fairness and ethical conduct while working for the Company as well as in representing the Company without their judgment being subordinated and also to fulfill their fiduciary obligations.

4.1.3. Shall not involve themselves in making any decision on a subject matter in which a conflict of interests arises or could arise, between their personal interest and the interests of the Company. In the event of apprehending such conflict of interests the relevant facts shall be disclosed in writing explaining the circumstances that would create or could create the conflicts of interests to: (a) the Board of Directors in the case of Directors (whole-time and non-executive) and (b) Chairman in the case of Senior Management Personnel for further directions in the matter.

4.1.4. Shall avoid having any personal financial interests in works or contracts awarded by the Company.

- 4.1.5. Shall avoid any relationship with a contractor or supplier (either directly or indirectly such as through a family member or other person or organization with which they are associated) that could compromise the ability to transact business on a professional, impartial and competitive basis or that may influence decision to be made by the Company.
- 4.1.6. Shall not hold any positions or jobs or engage in outside business or other interests that adversely affect the performance of duties of the Company. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interests of the Company and as, more particularly, subject to terms and conditions laid down in their respective contracts / appointment letters.
- 4.1.7. Shall not exploit for their own personal gain, the opportunities that are discovered through Company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Chairman as the case may be.
- 4.1.8. Shall not seek to accept directly or indirectly any gifts from anyone having business dealings with the Company.
- 4.1.9. Shall immediately bring to the notice of the Board about any unethical behavior, suspected fraud or violation of the Company's policies.
- 4.1.10. Shall be free to pursue any kind of civil / political activities and can become Member or Office Bearers of any Trade Organization so long as it does not adversely affect or is detrimental to the business investors of the Company.
- 4.1.11. Shall comply with all applicable laws, rules and regulations and any violation thereon may make them personally liable. Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.
- 4.1.12. Shall become and remain familiar with the Company's business and the economic and competitive environment in which the Company operates and understands Elegant Marbles and Grani Industries Limited's business plan, strategies and objectives.
- 4.1.13. Shall 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 constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of (i) trading in the shares of the Company, (ii) transactions having personal interest and (iii) related party transactions that are required to be made under laws, rules and regulations and Code of Conduct / Internal Procedure for prevention of Insider Trading in the Securities of Elegant Marbles and Grani Industries Limited.

- 4.1.14. Any information concerning the Company's business, its customers, suppliers, etc, which is not in the public domain and to which the Board Members and Senior Management Personnel have access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.
- 4.1.15. Shall not encourage any activity which would result in misusing the Company's assets. This would include both tangible and intangible assets.
- 4.1.16. Shall be committed to shareholders' worth value and shall strictly comply with all regulations and laws that govern shareholders' right. The shareholders shall be informed about all relevant aspects about the Company's business and disclose such information as may be required from time to time, in accordance with applicable rules and regulations.
- 4.1.17. Non-executive Directors who are categorized as Independent Directors shall inform the Chairperson in case of changes in their interest which impacts their independence as a Board Member or of any conditions which may interfere with their ability to perform their Board or Board Committee duties.

5.0 Code of Conduct for Independent Directors:

Code of conduct applicable to the Independent Directors shall be as per the Appendix III to this code.

6.0 Enforcement of Code of Conduct

- 6.1. Company Secretary shall be the Compliance Officer for the purpose of this Code.
- 6.2. Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.
- 6.3. Compliance Officer shall report breach of this Code, if any, which comes to his notice to the : (a) Board in the case of all Board Members and (b) Chairman in the case of Senior Management Personnel.
- 6.4. The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or as suspected violation of law, of this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.
- 6.5. Penalty for breach of this Code by Senior Management Personnel shall be determined by the Chairman. In case of breach of this Code by the Whole-time or Non-Executive Directors, the same shall be examined by the Board of Directors for initiating appropriate action as deemed necessary.

7.0 **Waiver and Amendments of the Code**

7.1 No waiver of any of the provisions of this Code shall be valid unless the Board of Directors of the Company approves such waiver in case of Board Members and by Chairman in the case of Senior Management Personnel.

7.2 The provisions of this Code can be amended by the Board of Directors of the Company from time to time.

8.0 **Insertion of the Code in website.**

8.1 As required by Clause 49 of the listing agreement, this code and any amendments thereto shall be posted on the website of the Company.

9.0 **Affirmation of compliance of the Code**

9.1 In terms of Clause 49 of the listing agreement, all Board Members and Senior Management Personnel shall within 30 days of close of every financial year affirm compliance with the Code. A Performa of Annual Compliance Report is annexed to this Code as **Appendix I**. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

10.0 **Acknowledgement of receipt of the Code**

10.1 All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code in the acknowledgement form annexed to this Code **Appendix II** indicating that they have received, read and understood, and agreed to comply with the Code and send the same to the Compliance Officer.

11.0 **Conclusion.**

11.1 This Code embodies the belief that acting always with the Company's legitimate interests in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of its long term growth and excellence.

APPENDIX – I
ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED
ANNUAL COMPLIANCE REPORT

CODE OF CONDUCT FOR BOARD MEMBERS & SENIOR MANAGEMENT
PERSONNEL

To
The Compliance Officer,
Elegant Marbles and Grani Industries Limited,
Elegant House, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.

I _____ do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS / SENIOR MANAGEMENT PERSONNEL during the financial year ending 31st March, 20__.

Signature:
Name:
Designation:
Date:
Place:

*** To be submitted by 30th April each year.**

APPENDIX – II
ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED
ACKNOWLEDGEMENT FORM
CODE OF CONDUCT FOR BOARD MEMBERS & SENIOR MANAGEMENT
PERSONNEL

To
The Compliance Officer,
Elegant Marbles and Grani Industries Limited,
Elegant House, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.

I _____ have received and read the Company’s CODE OF CONDUCT FOR BOARD MEMBERS & 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 :.....

Date:

APPENDIX – III

ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED 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. scrutinize 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 fulfills 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 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
 - c. committee(s) in which the director is expected to serve and its tasks;
 - d. the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - e. provision for Directors and Officers (D and O) insurance, if any;
 - f. the Code of Business Ethics that the Company expects its directors and employees to follow;
 - g. the list of actions that a director should not do while functioning as such in the Company; and
 - h. 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 at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

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.