

TORRENT POWER LIMITED

Code of Business Conduct

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A Introduction

- 1 This Code of Business Conduct ("Code") has been approved by the Board of Directors ("Board") in its meeting held on 29th September, 2006 and further amended on 4th November, 2014 pursuant to the revisions made by SEBI in Clause 49 of the Listing Agreement ("SEBI code on corporate governance").
- 2 The Code is applicable to all the employees of the Company (including Whole-time / Managing Directors) ("Employees") and other members of the Board (together referred to as "Designated Persons" hereafter).
- 3 Clause D (Certification) is applicable only to:
 - all members of the Board; and
 - Senior Management comprising Executive Director(s) (not being a member of the Board), Vice Presidents, General Managers and such other personnel as identified by the Company in terms of section 178 of the

Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) ("Senior Management").

- 4 The Code lays down important Corporate and Organizational Values that shape the Company's value system and business practices and represents cherished values of the Company.
- 5 The Code provides guidance to all Designated Persons in recognizing and dealing with important ethical and legal issues and fosters a culture of honesty and accountability.
- 6 This Code is not intended to cover every legal or ethical issue that may arise in course of the business. When required, advice or guidance must be taken from the relevant authority.

B Corporate and Organizational Values

1 Integrity – doing what is right

Personal integrity, upheld on a day-to-day basis, is the unshakable foundation for corporate integrity. Long-term, trusting business relationships are built by being honest, open and fair.

Designated Persons are expected to uphold the highest professional standards.

2 Gifts

Designated Persons will not solicit any gifts and would reject any unsolicited gifts from their business relationships arising out of their association of the Company.

3 Conflict of Interest

Designated Persons, whether dealing in personal or official capacity, are expected to avoid activities, agreements, positions, business investments or interests, and other situations which are conflicting/ apparently conflicting with interests of the Company or which interfere/may interfere with the discharge of their duties to the Company.

For Employees, it would always be conflict of interest to work simultaneously for any entity/purpose.

For all other Designated Persons i.e. members of the Board other than Wholetime/ Managing Directors, to work simultaneously for a competitor, material customer or supplier, would be considered as conflict of interest, except for the work in the nature of professional services such as engineering, architectural, legal, financial etc., undertaken in the ordinary course of their

business and not in potential conflict with the interests of the Company, whether in the form of information, advice or action.

4 Legal Compliance

The Company's policy on legal compliance requires every employee to adhere to the legal and regulatory requirements, in all respects, that affect his or her job. The employees must adhere to this policy on legal compliance and associated reporting.

It is essential that information provided to the regulators is accurate and not misleading.

5 Respect for People

Designated Persons are expected to treat co-employees / co-members and business associates fairly and, irrespective of hierarchical level, with dignity and respect. Being treated fairly means that employees / Directors shall be judged on merits.

Senior Management Cadre must maintain an open line of communication and listen to all employees.

6 Environmental Commitment

The Company's business will be conducted in an environmentally friendly and responsible manner.

Employees shall:

- ensure compliance with the spirit and intent of environmental laws, regulations and standards; and
- incorporate environmental protection as an integral part of the design, production, operation and maintenance of Company's facilities.

7 Safety

Company assigns highest priority to the safety of its Designated Persons. No job is important enough to justify unsafe operations. Supervisors and managers are responsible for monitoring the use of all reasonable safeguards in the workplace including Company procedures, safe work practices, and personal protective equipment.

However, ultimately all Designated Persons are responsible for their own safety. Every Designated Persons must, for his or her own and fellow workers' health and welfare, abide by the Company procedures and safe work practices, and use all appropriate personal protective equipment.

8 Confidential and Proprietary Information

Company information, including self-generated computer software applications, may be confidential or proprietary. Designated Persons have to be careful about disclosure of such information to people outside the Company or to Designated Persons who need not know or possess the same.

When there is a legitimate business need to share confidential or proprietary information with outsiders, it may be disclosed after prior approval of appropriate authority and under an appropriate confidentiality agreement protecting such information.

Confidential and proprietary information must not be treated casually or left unprotected.

Designated Persons are prohibited from using Company's property or information, or their position within the Company, for personal gain.

9 Financial Information

Financial information on Company's operations and performance provided to shareholders, equity analysts, creditors, newspapers and such others, whether statutory or voluntary, must be accurate and reliable.

Disclosure of financial and business information to the public at large or to any interested person shall be governed by the "Code of Corporate Disclosure Practices for Prevention of Insider Trading" prescribed by SEBI.

Communication to the Press or such other media will be organized by the Corporate Communications Department and Designated Persons should not talk about Company matters with a reporter, either on or off the record, without first contacting the Corporate Communication Department.

In order to protect the investing public, securities laws make it illegal for those with 'unpublished price sensitive information' to buy or sell securities (stocks, bonds, options, etc.). Designated Persons must not indulge in insider trading and abide by the Company's **Code of Conduct for Prevention of Insider Trading**.

10 Company Assets, Computer Network Use and Security

Designated Persons must make responsible use of Company assets in their personal possession such as telephones, computers and other hardware, software, internet connection, networks and the information that runs on them in a responsible manner.

Designated Persons must:

- use telephone, computers and peripherals and internet responsibly and primarily for legitimate business purposes and personal uses should be reasonable and kept to a minimum.
- protect the security of computer systems.
- not engage in communications that might be considered offensive, derogatory, defamatory, harassing, obscene or otherwise vulgar.
- not use Company communications systems to improperly disseminate copyrighted or licensed materials, or proprietary information.
- not use Company communications systems to transmit chain letters, advertisements or solicitations (unless authorized).
- not visit inappropriate Internet sites; and
- always protect information used to access computers, networks or systems.

Company's electronic communications system and information will be monitored for compliance with Company's policies and applicable laws. Designated Persons must note that they are not entitled to privacy privilege in respect of the same.

11 Records Maintenance and Management

Designated Persons must maintain and manage appropriate records and information pertaining to affairs of the Company under their purview, including records and information in electronic form like e-mails, computer files etc.

12 Duties of Independent Directors

The Independent Directors of the Company shall discharge their duties as per the "Code for Independent Directors" specified under Schedule IV read with section 149(8) of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof). The list of such duties is attached herewith as **Annex A**.

C Compliance with the Code

As a condition of employment / association with the Company, Designated Persons are expected to comply with and strictly adhere to the standards of conduct contained in this Code and underlying policies and procedures. When in doubt, this Code casts the responsibility on the Employee to seek clarification and guidance as to the proper course of conduct from relevant authority.

Designated Persons who are aware of any misconduct under this Code, illegal activity, fraud or abuse of Company assets must report such matters through the Whistle Blowing mechanism of the Company. Any Designated Person reporting any misconduct shall be suitably protected and no unjust action will be taken against any such person for making such a report.

D Certification

Members of the Board and Senior Management shall every year affirm to the Board of Directors their compliance with the Code in the format attached herewith as **Annex B**.

The Managing Director will make a declaration in the annual report for each year that the above affirmations have been received from the Members of the Board and Senior Management.

Annex A

Duties of Independent Director as specified in the “Code for Independent Directors” [Schedule IV read with 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.

Annex B

Format for affirmation of compliance with the Code

TORRENT POWER LIMITED

Code of Business Conduct

Annual Compliance Report *

I [name], state for the financial year ending 31st March, 200 that to the best of my knowledge and belief,

- I was aware of the Code applicable during the period;
- I understood the standards and policies contained in the Code;
- I also understood that there could be additional policies or laws specific to my job;
- I adhered to the Code in carrying out my duties as employee / director of the Company during the captioned period.

Signature :

Name :

Designation :

Date :

Place :

*To be submitted within fifteen days of the end of the financial year of the company each year.