

To

Shri Dipankar Mahanta
25, Janpath, Nabin Nagar
R.G. Barua Road
Guwahati
Assam- 781 024

Dear Sir,

Sub: Appointment as Part-time Non-official (Independent) Director.

- 1.0 It gives me immense pleasure to welcome you on the Board of NALCO as a Part-time Non-official (Independent) Director in terms of Ministry of Mines, Govt. of India, Order F. No. 2(1)/2014-Met.I, dtd. 17-11-2015.
- 2.0 The terms and conditions of your appointment as Part-time Non-official (Independent) Director are as follows:
- (a) Your term of appointment as Part-time Non-official (Independent) Director is for a period of 3 (three) years with effect from 21st November, 2015 or until further orders in terms of order dtd. 17th November, 2015 of Ministry of Mines.

(b) **Committees:**

You may be appointed in one or more existing Board Committees or any such Committees that may be constituted in future. Your appointment on such committee(s) will be subject to the extant rules / regulations / guidelines.

The Board of Directors have constituted the following Committees wherein Independent Directors will also be members.

Statutory Committees:

- (i) Audit Committee
- (ii) Stakeholders Relationship Committee
- (iii) CSR and Sustainability Development Committee
- (iv) Nomination and Remuneration Committee
- (v) Risk Management Committee
- (vi) Technology Committee (as per DPE guidelines)

Non-statutory Committees:

- (i) Human Resources Committee
- (ii) Ethics & Corporate Governance Committee
- (iii) Committee of Directors for Projects & New Ventures

The terms of reference of the above committees are enclosed at Annexure-A for your kind perusal.

Contd...P/2

नेशनल एल्युमिनियम कम्पनी लिमिटेड
(भारत सरकार का उद्यम)

निगम कार्यालय

नालको भवन, नयापल्ली, भुवनेश्वर - 751 013 भारत

CIN # L27203OR1981GOI000920

National Aluminium Company Limited

(A Government of India Enterprise)

REGD. & CORPORATE OFFICE

NALCO Bhawan, Plot No.P/1, Nayapalli, Bhubaneswar-751013, India

(c) **Remuneration:**

- (i) You will be paid sitting fees for attending each of the meetings of the Board and its Committees as may be decided by the Board from time to time.

At present sitting fees of Rs. 20,000/- will be paid for attending each of the meeting of the Board or a Committee thereof.

- (ii) **Reimbursement of Expenses:** In addition to the remuneration described, hereinabove, the Company will reimburse for travel, hotel and other incidental expenses incurred in performance of duties as a Part-time Non-official (Independent) Director of the Company.

(d) The following documents dealing with roles, duties and obligation of Directors / Independent Directors in terms of Companies Act, 2013 & Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed.

- (i) Schedule IV of Companies Act, 2013 which deals with Code for Independent Directors (Annexure-B).
- (ii) Duties of Directors as per Section 166 of the Companies Act, 2013 (Annexure-C).
- (iii) Code of Business Conduct and Ethics for Board Members and Senior Management (Annexure-D).
- (iv) Duties of Directors as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Annexure-E).
- (v) Policy on Related Party Transactions (Annexure-F).
- (vi) Code of Practices and Procedures for fair disclosure of unpublished price sensitive information & Code of Conduct to regulate, monitor and report trading by its employees and other connected persons (Annexure-G).
- (vii) Guidance Note on Undisclosed Price Sensitive Information (Annexure-H).

(e) **Confidentiality:**

All information acquired during the tenure is confidential and should not be revealed to either during the tenure or following resignation / termination / cessation (by whatever means) to third parties without prior clearance from the Chairman-cum-Managing Director unless required by law or by the rules of any Stock Exchange or regulatory body. On reasonable request, any document and other materials made available should be surrendered to NALCO.

Contd...P/3

(f) Insurance:

Directors and Officers Liability Insurance coverage for the personal liability of Directors and Officers for claims made against them while on the Board and/or as an Officer of the Company is being examined. The details of the insurance (D & O Policy) would be intimated to you as and when the same is taken. However, Company fully indemnifies the Directors as per Article 103 & 104 of Articles of Association. Copy enclosed at Annexure-I for ready reference.

(g) Inspection of terms and conditions by any member:

The terms and conditions of appointment of Part-time Non-official (Independent) Directors are open for inspection by any member at the Registered Office of the Company during normal business hours and the same will also be posted on the Company's website, in terms of Clause IV(5) and (6) of Schedule-IV of the Companies Act, 2013.

3.0 Separate letters are being issued by ED-Company Secretary regarding various declarations etc. to be made by an Independent Director.

I am confident, your association, expertise and advice would immensely benefit the Company and the Board of Directors.

Thanking you,

Yours faithfully,
For National Aluminium Co. Ltd.,


(T. K. Chand) 20/11/1
Chairman-cum-Managing Director

Encl.: As above.

To

Shri S Sankararaman
Amar Seva Sangam
Sulochchana Gardens
7-4-104-B Tenkasi Road
Ayikudy- 627852

Dear Sir,

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- (v) Risk Management Committee
- (vi) Technology Committee (as per DPE guidelines)

Non-statutory Committees:

- (i) Human Resources Committee
- (ii) Ethics & Corporate Governance Committee
- (iii) Committee of Directors for Projects & New Ventures

The terms of reference of the above committees are enclosed at Annexure-A for your kind perusal.

Contd...P/2

नेशनल एल्युमिनियम कंपनी लिमिटेड
(भारत सरकार का उद्यम)

निगम कार्यालय

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REGD. & CORPORATE OFFICE

NALCO Bhawan, Plot No.P/1, Nayapalli, Bhubaneswar-751013, India

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3.0 Separate letters are being issued by ED-Company Secretary regarding various declarations etc. to be made by an Independent Director.

I am confident, your association, expertise and advice would immensely benefit the Company and the Board of Directors.

Thanking you,

Yours faithfully,
For National Aluminium Co. Ltd.,


(T. K. Chand) 20/11/21
Chairman-cum-Managing Director

Encl.: As above.

To

Shri Pravat Keshari Nayak
446, Sahid Nagar
Bhubaneswar- 751 007

Dear Sir,

Sub: Appointment as Part-time Non-official (Independent) Director.

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- (v) Risk Management Committee
- (vi) Technology Committee (as per DPE guidelines)

Non-statutory Committees:

- (i) Human Resources Committee
- (ii) Ethics & Corporate Governance Committee
- (iii) Committee of Directors for Projects & New Ventures

The terms of reference of the above committees are enclosed at Annexure-A for your kind perusal.

Contd...P/2

नेशनल एल्युमिनियम कम्पनी लिमिटेड
(भारत सरकार का उद्यम)

निगम कार्यालय

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CIN # L27203OR1981GOI000920

Tel.:0674-2301988-999,Fax:0674-2300677,Email:knravindra@nalcoindia.co.in,Website:www.nalcoindia.com

National Aluminium Company Limited

(A Government of India Enterprise)

REGD. & CORPORATE OFFICE

NALCO Bhawan, Plot No.P/1, Nayapalli, Bhubaneswar-751013, India

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Contd...P/3

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I am confident, your association, expertise and advice would immensely benefit the Company and the Board of Directors.

Thanking you,

Yours faithfully,
For National Aluminium Co. Ltd.,


(T. K. Chand) 20/11/21
Chairman-cum-Managing Director

Encl.: As above.

To

Shri Damodar Acharya,
Flat No.84, 8th Floor,
E Block, Cosmopolis Apartment,
Dumduma,
Bhubaneswar- 751 019

Dear Sir,

Sub: Appointment as Part-time Non-official (Independent) Director.

- 1.0 It gives me immense pleasure to welcome you on the Board of NALCO as a Part-time Non-official (Independent) Director in terms of Ministry of Mines, Govt. of India, Order F. No. 2(1)/2014-Met.I, dtd. 17-11-2015.
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Non-statutory Committees:

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Contd...P/2

नेशनल एल्युमिनियम कम्पनी लिमिटेड
(भारत सरकार का उद्यम)

निगम कार्यालय

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NALCO Bhawan,Plot No.P/1,Nayapalli,Bhubaneswar-751013,India

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(g) **Inspection of terms and conditions by any member:**

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3.0 Separate letters are being issued by ED-Company Secretary regarding various declarations etc. to be made by an Independent Director.

I am confident, your association, expertise and advice would immensely benefit the Company and the Board of Directors.

Thanking you,

Yours faithfully,
For National Aluminium Co. Ltd.,


(T. K. Chand) 20/11/1
Chairman-cum-Managing Director

Encl.: As above.

To

Shri Maheswar Sahu
A/302, Parijat Residency
Behind Fab India, Bodakdev
Ahmedabad-380054

Dear Sir,

Sub: Appointment as Part-time Non-official (Independent) Director.

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Non-statutory Committees:

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Contd...P/2

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Thanking you,

Yours faithfully,
For National Aluminium Co. Ltd.,


(T. K. Chand) 20/11/11
Chairman-cum-Managing Director

Encl.: As above.

Terms of Reference of various Committees, constituted by the Board.**Statutory Committees****(i) Audit Committee**

The Audit Committee is constituted in compliance with requirements of Section 177 of the Companies Act, 2013, Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance. Members of the Audit Committee possess financial / accounting expertise / exposure.

Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of the Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of cost auditors, fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Section 134(5) of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in draft audit report

- Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments, if any.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- Mandatory review of the following information by Audit Committee:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions, submitted by management;

- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of internal auditors / chief internal auditor.

(ii) Stakeholders Relationship Committee

The Board of Directors have constituted Stakeholders Relationship Committee in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Consequently, the terms of reference of Audit Committee which was hitherto looking into the Investors' Grievances has been amended.

The Committee is primarily responsible to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

(iii) CSR & Sustainability Development Committee

The Companies Act, 2013 mandates constitution of Corporate Social Responsibility Committee. The Company had constituted Corporate Social Responsibility & Sustainability Development Committee much before the requirements under the Companies Act, 2013. The Committee is empowered to look into matters related to CSR activities and sustainability development programmes.

(iv) Nomination & Remuneration Committee

The Board of Directors have rechristened the existing Remuneration Committee which was constituted in terms of DPE guidelines, as Nomination and Remuneration Committee during the year by incorporating the terms of reference of Remuneration Committee as one of its terms of reference. Prior to rechristening the Remuneration Committee as Nomination and Remuneration committee, the Remuneration Committee had met once during the year. During the year, the Company did not hold any meeting of the Nomination and Remuneration Committee pending receipt of clarifications/exemptions for the Government Companies.

(v) Risk Management Committee

In accordance with the provisions of revised Clause 49 of the Listing Agreement which came into effect from 01-10-2014, constitution of Risk Management Committee has become mandatory. However, the Company had constituted Risk Management Committee much before 01-10-2014 with the following terms of reference:

- Assisting the Board of Directors in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks.
- Overall responsibility for monitoring and approving the risk policies and associated practices of the Company.
- Reviewing and approving risk disclosure statements in any public documents or disclosures.

(vi) Technology Committee

Technology Committee has been constituted in compliance with the requirements under the DPE guidelines.

The Committee monitors and pays special attention to the assessment of the Company's efforts to develop technology and acquiring and assimilating new technologies necessary to make it competitive and to its own R&D efforts for maintaining a sustained strength in the technological field and review specific consumption norms pertaining to Smelter, Refinery etc.

Non-statutory Committees

(i) Human Resources Committee

The Company is having a Human Resources Committee with the following terms of reference:

- i) Framing of rules and regulations and changes therein relating to recruitment, transfer, promotion, deputation and other conditions of service in respect of below Board level employees.
- ii) Wage structure and scales of pay of the non-executives and any changes therein.
- iii) Organization chart including manpower planning.
- iv) Any other reference made by the Board from time to time.

(ii) Ethics & Corporate Governance Committee

The terms of reference of the Committee include:

- (i) Practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.
- (ii) Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
- (iii) Dissemination of factually correct information to the investors, institutions and public at large.
- (iv) Interaction with existing and prospective FIIs and rating agencies, etc.
- (v) Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary.
- (vi) Institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation.
- (vii) Compliance of the following, formulated in terms of SEBI & DPE guidelines:
 - a) Code of Conduct for Senior Management
 - b) Insider Trading Regulations
 - c) Related Party transactions
 - d) Vigilance Related issues
 - e) Whistle Blower Policy

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(iii) Committee of Directors for Projects and New Ventures

A Committee of Directors for projects and New Ventures has been constituted with following terms of reference to examine and make recommendation to the Board on new projects/capital expenditure on Joint ventures:

- a) Appraisal and approval of the procedures and formalities in respect of various stages of new projects including preparation of DPR.
- b) To study and recommend to the Board, proposals for investment in new projects, in India and abroad, exceeding Rs.10 crore each.
- c) Review the status of capital projects, costing over Rs. 100 crore each.

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SCHEDULE IV TO THE COMPANIES ACT, 2013

[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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.

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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 thereunder and that the proposed director is independent of the management.

- (4) The appointment of independent directors shall be formalised 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;

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- 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.

DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT, 2013

Annexure - C

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- (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.

**CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD
MEMBERS AND SENIOR MANAGEMENT**

1.0 Introduction

- 1.1 This Code shall be called "The Code of Business Conduct & Ethics for Board Members and Senior Management" of National Aluminium Company Limited (hereinafter referred to as "the Company").
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.
- 1.3 This Code for Board Members and Senior Management has been framed specially in compliance of the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and as per the Guidelines of DPE.
- 1.4 It shall come into force with effect from the 1st day of April, 2010.

2.0 Definitions and Interpretations:

- 2.1 The term "Board Members" shall mean Directors on the Board of Directors of the Company.
- 2.2 The term "Whole-time Directors" or "Functional Directors" 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 "Part-time Directors" shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 2.4 The term "Relative" shall have the same meaning as defined in Section 6 of the Companies Act, 1956.
- 2.5 The term "Senior Management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including all Executive Directors and General Managers.
- 2.6 The term "the Company" shall mean National Aluminium Company Limited.

Note: In this Code, words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3.0 Applicability

- 3.1 This code shall be applicable to the following personnel:

- a) All Whole-time Directors including the Chairman & Managing Director of the Company.

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(भारत सरकार का उद्यम)

निगम कार्यालय
नालको भवन, नयापल्ली, भुवनेश्वर -751 013 भारत

National Aluminium Company Limited
(A Government of India Enterprise)

REGD. & CORPORATE OFFICE

Nalco Bhawan,
Plot No.P/1, Nayapalli, Bhubaneswar-751013, India

CIN # L27203OR1981GOI000920

Tel.:0674-2301988-999, Fax:0674-2300677 Email:investorservice@nalcoindia.co.in Website:www.nalcoindia.com

- b) All Part-time Directors including Independent Directors under the provisions of law.
- c) Senior Management

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

4.0 Contents of Code

Part I General Moral Imperatives

Part II Specific Professional Responsibilities

Part III Specific Additional Provisions for Board Members and Senior Management

This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART – I

5.0 General Moral Imperatives

5.1 Contribute to society and human well being

5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

5.1.2 Therefore, all Board Members and Senior Management who are accountable for the design, development, manufacture and promotion of company's products and services, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

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5.2 Be honest and trustworthy & practice integrity

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.2.2 All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Company.

5.3 Be fair and take action not to discriminate

5.3.1 The values of equality, tolerance, respect for others, and the principles of equity & justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national or regional origins or other such factors, is an explicit violation of this Code.

5.4 Honour confidentiality

5.4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

5.4.2 All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company.

5.5 Pledge & Practice

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour.

6.0 Specific Professional Responsibilities

6.1 Live the Vision, Mission and Values of the Company – each day

Live the Vision, Mission and Values of National Aluminium Company Limited each day. For quick reference they are as under:

Vision

“To be a reputed global company in the metals and energy sectors.”

Mission

To achieve sustainable growth in business through diversification, innovation and global competitive edge.

To continuously develop human resources, create safe working conditions, improve productivity and quality and reduce cost and waste.

To satisfy the customers and shareholders, employees and all other stakeholders.

To be a good corporate citizens, protecting and enhancing the environment as well as discharging social responsibilities in order to ensure sustainable growth.

To intensify R&D for technology development.

Values

- Zeal to excel and zest for change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride in the Company

- 6.2 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work: -**
Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

- 6.3 **Acquire and maintain professional competence:** Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.
- 6.4 **Compliance with Laws:-**The Board Members and Senior Management of the Company shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.
- 6.5 **Accept and provide appropriate professional review:** Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.
- 6.6 **Manage personnel and resources to enhance the quality of working life:-**Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.
- 6.7 **Be upright and avoid any inducements:-**The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency or person etc.
- 6.8 **Observe Corporate Discipline:-**The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

- 6.9 **Conduct in a manner that reflects credit to the Company:-**All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.
- 6.10 **Be accountable to Company's stakeholders:-**All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.
- 6.11 **Prevention of Insider Trading:-**The Board Members and Senior Management shall comply with the code of Internal Procedures and conduct for prevention of Insider Trading in dealing with Securities of the Company.
- 6.12 **Identify, mitigate and manage business risks:-**It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wise process of managing such risks, so that Company may achieve its wider business objectives.
- 6.13 **Protect properties of the Company:-**The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

PART – III

- 7.0 **Specific Additional Provisions for Board Members and Senior Management**
- 7.1 **As Board Members and Senior Management:** They shall undertake to actively participate in the meetings of the Board and Committees on which they serve, or to which they are called.

7.2 As Board Members

7.2.1 Undertake to inform the Chairman and Managing Director/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/ circumstances / conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgement of the Board as to whether they meet the independence requirements of Listing Agreement with Stock Exchanges and the Guidelines of DPE.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

Related Party Transactions: Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.

Consultancy/Business/Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.

Use of Official position for personal gains: Should not use their official position for personal gains.

7.3 Duties of Independent Directors:

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.

7.4 Compliance with the Code of Business Conduct and Ethics

7.4.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code.

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.4.2 Treat violations of this code as inconsistent association with the organization

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.5 Miscellaneous Points

7.5.1 Continual updation of Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modifications shall take effect prospectively from the date stated therein.

7.5.2 Where to seek clarifications

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact Director (HR)/ Company Secretary/ any officer specifically designated by the Board of Directors.

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Obligations with respect to independent directors.

25. (1) A person shall not serve as an independent director in more than seven listed entities:
Provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities.
- (2) The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.
- (3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.
- (4) The independent directors in the meeting referred in sub-regulation (3) shall, *inter alia*-
- (a) review the performance of non-independent directors and the board of directors as a whole;
 - (b) review the performance of the chairperson of the listed entity, 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 management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
- (5) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.
- (6) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:
Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.
- (7) The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:

- (a) nature of the industry in which the listed entity operates;
- (b) business model of the listed entity;
- (c) roles, rights, responsibilities of independent directors; and
- (d) any other relevant information.

Obligations with respect to directors and senior management.

26. (1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:
- (a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
 - (b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.
- (2) Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.
- (3) All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.
- (4) Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director
- (5) Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.
- Explanation.-For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

NATIONAL ALUMINIUM CO. LIMITED

POLICY ON

RELATED PARTY TRANSACTIONS

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1. PREAMBLE

The Companies Act, 2013 ("Act") and Equity Listing Agreement have stipulated various conditions to be fulfilled in case of Related Party Transactions.

Policy on Related Party Transactions ("Policy") has been formulated in line with the requirements of Companies Act, 2013 and Listing Agreement.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions. The Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges in India.

The Board of Directors (the "Board") of National Aluminium Co. Ltd. (the "Company") has adopted this Policy upon the recommendation of the Audit Committee. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

2. APPLICABILITY

This policy shall be applicable to all Related Party Transactions.

3. OBJECTIVE

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory and regulatory provisions in this regard.

4. DEFINITIONS

- i. **"Associate Company"**, in relation to another company, means a company in which NALCO has a significant influence and includes the joint venture companies of NALCO.

Explanation.—"significant influence" means control of at least twenty percent of total share capital, or of business decisions under an agreement. Total Share Capital means the aggregate of the paid-up Equity Share capital and Convertible Preference Share capital.

- ii. **"Arm's Length transaction"** means a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest. (Explanation (b) to Section 188 (1) of the Act).

- iii. **"Audit Committee or Committee"** means the Committee of the Board constituted from time to time under the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

- iv. **"Board"** means the Board of Directors as defined under the Companies Act, 2013.

- v. **"Control"** includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

Provided that a director or officer of the company shall not be considered to be in control over such company, merely by virtue of holding such position;

- vi. **"Government company"** means any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government company. (Section 2(45) of the Act).

vii. **"Key Managerial Personnel"** means Key Managerial Personnel as defined under the Companies Act, 2013.

viii. **"Material Related Party Transaction"** means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds such limits as may be prescribed either in the Companies Act, 2013 or the Listing Agreement, whichever is stricter, from time to time.

ix. **"Office or place of profit"** means any office or place—

- (i) where such office or place is held by a director, if the director holding it, receives from NALCO anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private Company or other body corporate, if the individual, firm, private Company or body corporate holding it, receives from NALCO anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

x. **"Related Party"** means related party as defined under the Companies Act, 2013 read with Clause 49 of the Listing Agreement and as amended from time to time.

"Related Party Transaction" means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes –

- a. Sale, purchase or supply of any goods or materials;
 - b. Selling or otherwise disposing of, or buying property of any kind;
 - c. Leasing of property of any kind;
 - d. Availing or rendering of any services;
 - e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
 - f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
 - g. Underwriting the subscription of any securities or derivatives thereof, of the Company;
- (The above is an indicative list and not an exhaustive one).

xii. **"Relative"** means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner –

- a. Members of a Hindu undivided family;
- b. Husband or wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son's wife;
- g. Daughter;
- h. Daughter's husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister).

xiii. **"Transaction"** with a related party shall be construed to include a single transaction or a group of transactions during the financial year.

xiv. The terms **Director, Chief Financial Officer, Company Secretary**, shall have the same meaning as assigned under the Companies Act, 2013/Listing Agreement.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

All Related Party Transactions which are entered into in ordinary course of business at Arm's Length basis with effect from 01.10.2014 shall be subject to the approval of the Audit Committee in accordance with this Policy. The approval of the Audit Committee can be granted by way of circulation also.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Audit Committee may ratify the transactions in accordance with this Policy.

Concerned EDs are responsible for placing an agenda before the Audit Committee and/ or Board of Directors of all Related Party Transaction(s) requiring approvals (including omnibus approval or ratification) in accordance with this policy:

Concerned EDs are also be responsible to place the agenda for review of the Audit Committee on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval obtained under Point 5.1.2 of this Policy.

After the approval of the Audit Committee and Board, the Company Secretary shall place the agenda to the shareholders for approval, if required.

5.1.0 APPROVAL OF THE AUDIT COMMITTEE- MECHANISM

5.1.1 DETAILS TO BE PROVIDED TO AUDIT COMMITTEE

The following details/information shall be provided to the Audit Committee for entering into Related Party Transaction(s):

- a. the name of the related party and nature of relationship;
- b. the nature, duration of the contract and particulars of the contract or arrangement;
- c. the material terms of the contract or arrangement including the value, if any;
- d. any advance paid or received for the contract or arrangement, if any;
- e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- g. any other information relevant or important for the Audit Committee / Board to take a decision on the proposed transaction.

5.1.2 OMNIBUS APPROVAL

Audit Committee may grant the omnibus approval for Related Party Transactions subject to the following conditions:

1. Transactions are **frequent/ regular/ repetitive** in nature and are in the normal course of business of the Company.
2. Audit Committee shall satisfy itself the need for such omnibus approval in the best interest of the Company.
3. Omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - (ii) the indicative base price/current contracted price and the formula for variation in the price, if any, and
 - (iii) such other conditions as the Audit Committee may deem fit. Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1.00 crore per transaction.

4. Audit Committee shall review, at least on a **quarterly basis**, the details of RPTs entered into by the Company pursuant to omnibus approval given.
5. The omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year from the date of approval.

5.1.3 CONSIDERATION BY THE AUDIT COMMITTEE

While approving, the Audit Committee may, inter-alia, consider the following factors:

- a. all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party;
- b. whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis, at the time of entering into the transaction;
- c. business reasons for the Company to enter into the Related Party Transaction;
- d. whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or KMP of the Company;
- e. any other matter the Audit Committee deems relevant.

- 5.1.4 Director or KMP shall not participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the Director / KMP shall provide all material information concerning the Related Party Transaction to the Audit Committee;

5.2.0 APPROVAL OF THE BOARD AND SHAREHOLDERS - MECHANISM

5.2.1 BOARD OF DIRECTORS

All cases where the Related Party Transactions are not in the ordinary course of business and/or are not on arm's length basis but within the prescribed limits as per the Companies (Meetings of Board & its Powers) Rules, 2014, shall be brought before the Board of Directors for approval through Board Level Audit Committee.

All (a) Related Party Transactions that are beyond the prescribed limits as per Companies (Meetings of Board & its Powers) Rules, 2014 and being not in the ordinary course of business of the company and/ or not on an arm's length basis, (b) Material Related Party Transactions, requiring the approval of the shareholders, shall also need to be approved by the Board for placing before shareholders.

Such approval of Board may be obtained at a duly convened meeting.

5.2.2 SHAREHOLDERS

All (a) Related Party Transactions that are beyond the prescribed limits as per Companies (Meetings of Board & its Powers) Rules, 2014 and being not in the ordinary course of business of the company and/ or not on an arm's length basis, (b) Material Related Party Transactions, shall require approval of shareholders through special resolution (after due approval by the Board).

No member of the Company shall vote on special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party for such contract or arrangement.

5.2.3 UNDER THE LISTING AGREEMENT

All **Material** Related Party Transactions requires the approval of the shareholders, by way of special resolution. However, the same shall be put up to the Board for its approval at its meeting before the approval of shareholders.

Exemption:

- (i) Transactions entered into between two Government Companies;
- (ii) Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

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All entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

5.3 DETAILS TO BE PROVIDED TO THE BOARD AND SHAREHOLDERS

The following information shall be provided to the **Board** for approval of Related Party Transaction(s) –

- a. the name of the related party and nature of relationship;
- b. the nature, duration of the contract and particulars of the contract or arrangement;
- c. the material terms of the contract or arrangement including the value, if any;
- d. any advance paid or received for the contract or arrangement, if any;
- e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- g. any other information relevant or important for the Board to take a decision on the proposed transaction.

The following information shall be provided to the **Shareholders** for approval of Related Party Transaction(s) –

- a. Name of the related party;
- b. Name of the Director or KMP who is related, if any;
- c. Nature of relationship;
- d. Nature, material terms, monetary value and particulars of the contract or arrangement;
- e. Any other information relevant or important for the members to take a decision on the proposed resolution.

5.4 Summary of the approval mechanism under revised Clause 49 and the Companies Act, 2013:

Details of Transaction(s)	Approving Authority
All Related Party Transactions which are entered into in ordinary course of business and at Arm's Length basis and any subsequent modification	Audit Committee
RPTs at 5.2.1 above which are not in Ordinary Course of Business or not on arm's length basis or both (less than threshold limits)	Approval and recommendation by Audit Committee to the Board and Approval by the Board.
RPTs at 5.2.2 above which are in not in Ordinary Course of Business or not on arm's length basis or both (beyond threshold limits)	Approval and recommendation by Audit Committee to the Board; Approval and recommendation by the Board to Shareholders and
Material RPTs at 5.2.3 above	Approval by the Shareholders, by way of special resolution.

5.4.1 RATIFICATION OF RELATED PARTY TRANSACTIONS

- a. If prior approval of the Audit Committee/Board/Shareholders for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Audit Committee/Board/Shareholders, if required, within 3 (three) months of entering in the Related Party Transaction.

- b. In case Related Party Transaction is not ratified within the specified period, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.
- c. In any case where either the Audit Committee/Board/Shareholders determines not to ratify a Related Party Transaction that has been commenced without approval, may direct additional actions including, but not limited to, immediate discontinuation of the transactions, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee/Board/Shareholders has authority to modify or waive any procedural requirements of this Policy in the best interest of the Company.

6. PRE-REQUISITES FOR ASCERTAINING RELATED PARTY

The following details shall be required:

1. Declaration/Disclosure of interest by all the Directors and KMPs' in form MBP-1.
2. Declaration of relatives by all Directors and KMPs'.
3. Declaration about a firm in which a Director and KMP or his relative is a partner.
4. Declaration about a private Company in which a Director and KMP or his relative is a member or director.
5. Declaration regarding a public company in which a Director and KMP is a Director and holds along with the relatives more than 2% of the paid-up share capital.
6. Declaration that the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions of the Director / KMP.
7. Declaration about the person on whose advice, directions or instructions, the Director / KMP accustomed to act persons (other than advice, directions or instructions obtained in professional capacity).
8. Any Company which is—
 - (a) a subsidiary or an associate Company of the NALCO; or
 - (b) a subsidiary of a subsidiary of NALCO;

7. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

The Company Secretary shall at all times maintain a database/ Register of the various Related Parties, arrived at after taking into account the information as contained in Clause 6.0 and the definition set forth in Clause 4.0. The database/ Register shall mention the details required as per the Act and any amendment thereof.

The Related Party List shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year.

Company Secretary shall after collating the information as above circulate the same to all Whole Time Directors and Executive Directors,

The concerned Functional EDs shall arrange to nominate a nodal Officer at their location who shall ascertain whether any transaction in the concerned unit/department will be covered under the definition of RPT. Based on the report of the Nodal Officer, approval of the Competent Authority of the relevant RPT in accordance with the procedures set out in this policy will be obtained.

For the purpose of implementing the provisions under this Policy, the Board and the Audit Committee of Directors of the Company shall receive timely, full and sufficient information about the Transactions covered under this Policy. In determining, whether to approve or not a Related Party Transaction, the Board will take into account, among other factors, recommendations of the Audit Committee, whether the said Transaction is in the interest of the Company and its stakeholders and there is no actual or potential conflict of interests between the related parties.

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8. DISCLOSURES

- a. The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
- b. Every Contract or arrangement entered with Related Parties with the approval of Board / Shareholders in line with Section 188 of the Companies Act 2013 shall be referred in the Board's Report to the shareholders along with the justification for entering into such contract or arrangements.
- c. Details of all Material Related Party Transactions shall be disclosed quarterly along with the compliance report on corporate governance to be submitted to stock exchanges.
- d. Disclosure as prescribed under Accounting Standard.
- e. The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party requires approval of the Board.

9. SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and of the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

10. DISSEMINATION OF POLICY

This Policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

11. VIOLATION

Violation of the Policy/Provisions in any manner shall be dealt with in accordance with provisions of law and Company's prescribed rules if any.

NATIONAL ALUMINIUM COMPANY LIMITED
NALCO Bhawan, P/1, Nayapalli, Bhubaneswar -751013

- i. **Code of Practices and Procedures for fair disclosure of unpublished price sensitive information; and**
- ii. **Code of Conduct to regulate, monitor and report trading by its employees and other connected persons.**

CHAPTER – I
PRELIMINARY

1. These Codes shall be called "i. Code of Practices and Procedures for fair disclosure of unpublished price sensitive information and ii. Code of Conduct to regulate, monitor and report trading by its employees and other connected persons."
2. **Definitions:**
 - 2.1 "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - 2.2 "Board" means the Securities and Exchange Board of India;
 - 2.3 The term "**Regulations**" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
 - 2.4 "**Chief Investor Relation Officer**" shall means a Senior Officer designated by the Board to deal with dissemination of information and disclosure of unpublished price sensitive information.
 - 2.5 "**Compliance Officer**" means;- Company Secretary of NALCO unless any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of NALCO;
 - 2.6 "**Connected Person**" means,-
 - (i) any person who is or has during the six months prior to the concerned act been associated with NALCO, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of NALCO

- or holds any position including a professional or business relationship between himself and NALCO whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
- (a) an immediate relative of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - (i) a banker of NALCO; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of NALCO or his immediate relative or banker of NALCO, has more than ten per cent of the holding or interest.

2.7 "Designated Persons" shall include -

- (a) All members of the Board of Directors, all executives of NALCO of the level of Executive Directors.
- (b) All Key Executives and other employees, not covered in (a) above, as identified by the CMD of the Company from time to time.
- (c) All executives of the Offices of CMD & all the functional Directors of NALCO.
- (d) All executives of Corporate Accounts and Company Secretariat.
- (e) Immediate relative of (a) to (d) above.
- (f) Insiders having possession of unpublished price sensitive information.

2.8 "Generally available information" means information that is accessible to the public on a non-discriminatory basis.

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- 2.9 **"Immediate relative"** means a spouse of designated person and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities in term of regulation of 2 (f) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 2.10 **"Insider"** means any person who is:
- A connected person; or
 - In possession of or having access to unpublished price sensitive information
- 2.11 **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
- 2.12 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 2.13 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 2.14 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in securities of NALCO, and "trade" shall be construed accordingly ;
- 2.15 **"Trading day"** means a day on which the recognized stock exchange are open for trading;
- 2.16 **"Unpublished Price sensitive information"** means any information, relating to NALCO or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
- Financial results;
 - Dividends;
 - Change in capital structure;
 - Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - Changes in Key Managerial Personnel; and
 - Material events in accordance with the listing agreement.
- 2.17 Words and expressions used and not defined in these codes but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories

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Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

CHAPTER – II

APPLICABILITY

- 3.0** These codes, “i. Code of Practices and Procedures for fair disclosure of unpublished price sensitive information and ii. Code of Conduct to regulate, monitor and report trading by its employees and other connected persons” shall apply to all “insiders” defined at 2.10.

CHAPTER – III

4.0 CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

4.1 NALCO shall

- a. make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b. ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- c. Compliance Officer / Chief Investor Relations Officer / any other officer designated in this regard shall deal with dissemination of information and disclosure of unpublished price sensitive information.
- d. ensure prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e. endeavor appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f. ensure that the information shared with analysts and research personnel is not unpublished price sensitive information.
- g. make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- h. ensure that all unpublished price sensitive information are handled on a need-to-know basis.

- 4.2** Chief Investor Relation Officer shall ensure that the code of practices and procedures for disclosures of Unpublished Price Sensitive information are adopted and adhered to before issuance of any Press Release or during interactions with media, analysts and other investor relations conferences etc.

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CHAPTER – IV

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

5.0 Communication or procurement of unpublished price sensitive information

- i. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to securities of NALCO or securities proposed to be listed by NALCO, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- ii. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to securities of NALCO or securities proposed to be listed by NALCO, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- iii. Notwithstanding anything contained in these codes, unpublished price sensitive information may be communicated, provided, allowed access to or procured, in terms of the provisions of Regulation 3(3) and 3(4) of the “**Regulations**”

6.0 Trading by insiders including promoters, non-individual insiders when in possession of unpublished price sensitive information shall be governed by Regulation 4 of the “**Regulations**”.

7.0 Trading Plans.

7.1 An insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

7.2 Such trading plan shall:–

- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by NALCO and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;
- v. set out either the value of trades to be effected or the number of securities to be

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- traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in securities for market abuse.

- 7.3 The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these codes and "**Regulations**" and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 7.4 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of these codes or "**Regulations**".

- 7.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities of NALCO are listed.

CHAPTER – V

DISCLOSURES OF TRADING BY INSIDERS

- 8.0 General provisions.
- 8.1. (a) Every public disclosure under this Chapter shall be made within two trading days.
- (b) The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- (c) The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Chapter;

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

8.2 The disclosures made under this Chapter shall be maintained by NALCO for a minimum period of five years, in such form as may be specified.

9.0 Disclosures by certain persons.

9.1 Initial Disclosures.

- a. Every promoter and director of NALCO shall disclose his holding of securities in NALCO in the prescribed '**Form-A**' within **thirty days** of these regulations taking effect, unless the disclosure in this regard has already been made to the Company;
- b. Every person on appointment as a key managerial personnel or a director of NALCO or upon becoming a promoter shall disclose his holding of securities of NALCO in prescribed '**Form-B**' as on the date of appointment or becoming a promoter, to the company within **seven days** of such appointment or becoming a promoter.

9.2 Continual Disclosures.

- a. Every promoter, designated person and director of NALCO shall disclose in prescribed '**Form-C**' to the company the number of such securities acquired or disposed of within **two** trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ₹10(ten) lakh.
- b. Compliance Officer of NALCO shall notify the particulars of such trading to the stock exchange on which the securities are listed within **two** trading days of receipt of the disclosure or from becoming aware of such information.

Explanation:- the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) above.

9.3 Disclosures by other connected persons.

NALCO may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in prescribed '**Form-D**' at such frequency as may be determined by the company in order to monitor compliance with these regulations.

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CHAPTER – VI

10.0 Trading window

10.1 Directors, Officers and designated persons of NALCO shall not deal in any transaction involving the purchase or sale of securities of NALCO either in their own name or in the name of their immediate relative during the periods mentioned below, when “Trading Window” shall remain closed:

Sl. No.	Events / Particulars	Restrictive Period	
		From	To
1	2	3	4
A	Declaration of financial results of First quarter.	7 th July	Till 48 hours from the announcement of the financial results.
B	Declaration of Half - yearly financial Results	7 th October	-do-
C	Declaration of financial Results of Third quarter.	7 th January	-do-
D	Declaration of Annual audited financial results	15 th April	-do-
E	Declaration of Interim / Final Dividend	From the date Stock Exchange was informed about the date of Board meeting where the proposal for interim/final dividend will be considered till 48 hours from the announcement of decision of the Board to the Stock Exchanges.	
F	Any other major events, viz. (i) financial results; (ii) change in capital structure; (iii) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; (iv) material events in accordance with the listing agreement etc..	From the date of circulation of agenda for the meeting of the Board of Directors till 48 hours from the announcement of decision of the Board to the Stock Exchanges.	

EXPLANATION:

1. The trading window shall be opened 48 hours after the “Unpublished price sensitive information”, for which the trading window is closed, becomes generally available.
2. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.
3. The notice of closure and opening of trading window shall be intimated to the Stock Exchanges and uploaded on the intranet and website of NALCO, if required.

10.2 The remaining days of a year other than the days mentioned under 10.1 above shall be called “Valid Trading Window”. All Directors, Officers and designated persons of NALCO (including those persons covered under

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explanation 2 to 10.1) shall conduct their dealings in the securities of the Company only in "Valid Trading Window" as mentioned above.

- 10.3** The restrictions mentioned in clause 10.1 above shall not be applicable in respect of exercise of an option under Employees Stock Option Scheme (ESOS) or ESOPs. However, shares allotted on exercise of ESOS/ESOPs, shall not be sold during the period mentioned under clause 10.1, when "Trading Window" shall remain closed.
- 11.0 Pre-clearance of Trades**
- 11.1** All Directors, Officers, designated persons (including those persons covered under explanation 2 to 10.1), who intend to deal in the securities of NALCO either in their own name or in the name of their immediate relative (above the minimum threshold limit mentioned under clause 11.4) shall obtain preclearance of the transaction as per the pre-dealing procedure as described hereunder. Application for pre-clearance shall be made only during valid trading period. Application submitted during closure of trading window shall be invalid.
- 11.2** Directors, Officers, designated persons (including those persons covered under explanation 2 to 10.1) shall make pre-clearance application to the Compliance Officer in the format given in **Appendix-I**. The application shall indicate the estimated number of securities that the Director/ Officer/designated person (including those persons covered under explanation 2 to 10.1) intends to deal in, the details as to the depository with which he has a security account, the details as to securities in such depository mode and such other details, as may be required by the Compliance Officer from time to time in this behalf.
- 11.3** An undertaking shall be executed in favour of NALCO by such Director /Officer / designated persons (including those persons covered under explanation 2 to 10.1). A combined proforma application cum undertaking is annexed to these codes as **Appendix-I**.
- 11.4** The pre-clearance shall not be necessary if the number of shares to be traded is less than 5000 shares in a single transaction or less than 15000 shares in a week.
- 11.5** Immediately on receipt of the pre-clearance application, the date and time of the receipt of the same shall be recorded thereon. The Compliance Officer shall process the pre-clearance applications and if the pre-clearance application is in accordance and in compliance with the provisions of these codes, the Compliance Officer shall endeavor to communicate the pre-clearance immediately but not later than 48 hours from the time of receiving

the application. In the absence of the Compliance Officer, the officer authorized by the Compliance Officer shall give the pre-clearance.

11.6 All Directors, Officers, designated persons and their immediate relative (including those persons covered under explanation 2 to 10.1) shall execute their order in respect of securities of NALCO within seven trading days after the approval of pre-clearance is given. If the order is not executed within seven trading days after the approval, the Directors, Officers designated persons and their immediate relative (including those persons covered under explanation 2 to 10.1) shall obtain fresh preclearance.

11.7 All directors/Officers/designated persons (including those persons covered under explanation 2 to 10.1) who buy or sell any number of shares of the company shall not enter into a contra transaction, i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/officers/designated persons (including those persons covered under explanation 2 to 10.1) shall also not take positions in derivative transactions in the shares of the company at any time. In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

11.8 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing the reasons in this regard provided that such relaxation does not violate the "**Regulations**". Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

11.9 No Director, Officer, designated persons and their immediate relative (including those persons covered under explanation 2 to 10.1) shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

12 Reporting Requirements for transactions in securities

12.1 All Directors, Officers and designated persons of NALCO shall be required to forward following details of their transactions in securities of NALCO including the transaction in the name(s) of immediate relatives to the Compliance Officer:

Initial disclosure at the time of Joining

(a) All holdings in securities / Position taken in derivatives of NALCO by

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Directors/ Officers/ designated persons (including that of his immediate relatives) within 2 working days of joining NALCO or on becoming Directors/ Officers/ designated persons, as the case may be in prescribed 'Form-B'.

Continual disclosure for any Change in shareholding

- (b) Any change in the shareholding (including that of his immediate relatives) exceeding 5000 shares, including shares acquired after preclearance under clause 11.0 above, shall be disclosed to the company within 2 working days of such change. ***Further such changes are to be reported to Stock Exchanges where NALCO shares are listed and the change exceeds Rs. 10 Lakh in value or 25000 shares or 1% of total shareholding or voting rights, whichever is lower. (disclosure in prescribed Form-C).***

Annual Disclosure

- (c) Annual statement of all holdings (including that of his immediate relatives) in securities /Position taken in derivatives of the Corporation as on 31st March be furnished within 7 days of the close of the financial year (proforma disclosure form is given at **Appendix-II**).

- 12.2** The Compliance Officer shall within two working days of receipt of (1) initial disclosure under sub-clause (a) above and (2) periodical disclosure of change in shareholding under sub-clause (b) above, shall disclose to all stock exchanges on which securities of NALCO are listed, the information received as above.

12.3 Confidentiality of information and procedures to be adopted

All work centres / assets / Units / Plants / Institutes / Departments etc. of NALCO dealing in confidential information shall adopt and put in place suitable measures (which may include providing restricted access controls, passwords, firewalls, bio-metric access etc.) to ensure that the confidential information in their possession does not get disseminated either directly, indirectly, covertly or overtly. Concerned head of the department shall be responsible to ensure that adequate security measures are implemented at all places which handle / deal in such confidential / unpublished price sensitive information either frequently or otherwise. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations. Due regard to the role and function of the concerned employee shall be had before giving him access to unpublished price sensitive information, in addition to seniority and professional designation.

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12.4 Reporting to Ethics & Corporate Governance Committee and Board of Directors

The Compliance Officer shall provide a report to the Board of Directors through the Ethics & Corporate Governance Committee with regard to implementation and operation of these codes periodically and at least once in every financial year.

13 Maintenance of Records & Registers:

The Compliance Officer shall maintain:

- 13.1** Register of the periods of "Closure of Trading Window", wherein he shall record the date of closure and opening of the trading window and purpose for which trading window is closed. A proforma of the register of periods of closure of Trading Window is given at **Appendix-III**.
- 13.2** Register of Pre-clearance of trading of Securities and record therein the name and designation of the Director, Officer, Designated Persons submitting the application, date of the application, date & time of receipt of the application, nature of the transaction, number of securities, consideration value, name of the immediate relative if the transaction is in the name of the immediate relative and date & details of the actual transaction. A proforma of the Register of Pre-clearance of Trading is given at **Appendix-IV**.
- 13.3** Register of Waiver of restriction on holding investment in the securities of NALCO and shall record thereon the name of the Director/Officer/designated persons details of securities for which waiver is granted, date of waiver and the ground of the waiver. A proforma of the Register of Waiver is given at **Appendix-V**.
- 13.4** Register of Designated Person as per proforma given at **Appendix-VI**.
- 13.5** Records of all the declarations in the appropriate form given by the Directors, Officers designated persons and their immediate relative for a minimum period of three years.
- 13.6** Three separate Registers for recording the Initial disclosure, continual disclosure and Annual disclosure received under sub-clause 12.1 above. proforma of the Registers to be maintained are given in **Appendix-VII**.

14. Penalty for contravention of Code of Conduct:

Any Director/ Officer designated employee who trades in securities of NALCO or communicates any information for trading in securities of NALCO in contravention of these codes may be penalized and appropriate action may be taken by the Competent Authority as defined under Conduct, Discipline and Appeal Rules (CDA) of NALCO. Directors, Officers and employees of

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NALCO who violate the Code of Conduct shall also be subject to disciplinary action by the Competent Authority.

15. Power of SEBI

The action by NALCO shall not preclude SEBI and other authorities from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

16. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

If NALCO/ Compliance Officer observes any violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Compliance Officer shall inform the SEBI of such violation after obtaining the approval of the Ethics & Corporate Governance Committee.

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Ref No: NSE/CML/2014/11

September 30, 2014

The Company Secretary
All Listed Companies

Dear Sir / Madam,

Subject: - **GUIDANCE NOTE ON CLAUSE 36 OF THE LISTING AGREEMENT**

Clause 36 of the Listing Agreement requires listed entities to immediately inform the Exchange of all the events which will have bearing on the performance / operations of the Company as well as any price sensitive information. The Current Clause 36 of the Listing Agreement provides an indicative list of the material events on which listed entities are required to make disclosures to the Exchange.

The guidance note enclosed helps Listed entities to make more comprehensive disclosures relating to indicative list of such material events laid down under Clause 36 of the Listing Agreement.

The Listed entities are requested to submit the disclosures in conformity of guidance note for such material events. However, it may be noted that guidance note contains illustrative list of information to be disclosed and listed entities may choose to disclose any other material event or any more information in the interest of investors.

In case of any further query, the companies may contact on 022-26598235 / 36.

Yours faithfully,
For National Stock Exchange of India Limited

Avinash Kharkar
Asst. Vice President

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GUIDANCE NOTE ON CLAUSE 36 OF THE LISTING AGREEMENT

BACKGROUND:-

Clause 36 of the Listing Agreement mandates that listed entities should immediately inform the Exchange of all the events which will have bearing on the performance / operations of the Company as well as any price sensitive information. As per the current Clause 36, the following is the indicative list of 'material' events on which listed entities are required to make disclosures to the Exchange:

- Events such as strikes, lock-outs, closure on account of power cuts etc.
- Change in the general character or nature of business
- Disruption of operations due to natural calamity
- Commencement of Commercial Production / Commercial Operations
- Developments with respect to pricing/realization arising out of change in the regulatory framework
- Litigation / dispute with a material impact
- Revision in Ratings
- Any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

It is observed that, in the absence of any standard or guidance on fair disclosures for the appreciation/assessment of the event by investors/shareholders, companies are furnishing varying details in their disclosures for similar events. Such variations are not helpful to investors to set their expectations on the information content in the disclosures under Clause 36 and therefore it is felt necessary to issue this guidance note to help companies to make comprehensive disclosures relating to indicative list of material events given in the current Clause 36.

GUIDANCE:-

- A. **Authority for making disclosures:** Every Listed Entity shall have a policy determining the authority within the entity that is entitled to take a view on the materiality of an event that qualifies for disclosure under Clause 36 to decide the appropriate time at which such disclosure is to be filed with Exchange and details that may be filed in the best interest of present and potential investors. The authority could be Board of Directors or CEO or an operating committee of Senior Level Executives or Key Managerial Personnel (as defined under Companies Act, 2013) etc., as decided by the management of the Listed Entity. It may be noted that the onus of ensuring that the information disclosed to the Exchange is duly authorized to be disclosed as such, lies with the listed entity only and the Exchange shall assume that any disclosure received has been duly authorized.

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B. Within the overall framework of the above authority, all disclosures made under clause 36 shall contain some minimum information as stated hereunder:

1. Disclosure content to report Change in General Character of Business:

- Nature of Arrangements that lead to change in general character of business – whether it is technical, manufacturing, marketing or financial tie-up or by reason of the Listed Entity (and/or its units/divisions/subsidiaries), selling or disposing of or agreeing to sell or dispose of any unit or division or by the Listed Entity, enlarging, restricting or closing the operations of any unit or division or proposing to enlarge, restrict or close the operations of any unit or division or otherwise or any other reason.
- Rationale for such change in character of business.
- Benefits/impact of such change in character of business, if any.

2. Disclosure content to report disruption of operations due to natural calamity:

- If and when a natural calamity occurs disrupting some or all operations of the Listed Entity, and if such disruption is material in the judgment of the Listed Entity, the Listed Entity, shall, as early as is practicable, on occurrence of such event keep exchanges informed of the occurrence of such disruptive natural calamity.
- Listed entity shall keep the Exchange informed of the impact of the disruptive natural calamity in terms of extent of damage caused in measurable terms like loss of production or value of assets lost/damaged, time required to restore normalcy, etc as soon as possible but not later than 15 days from the time of occurrence of the disruptive natural calamity. If for any reason the impact assessment is not completed in 15 days' time, the Listed entity shall inform the Exchanges about the status of assessment and expected date by which assessment will be completed. This disclosure shall also include whether this risk is covered by insurance and the value of insurance cover.
- Inform the Exchange as and when Listed Entity, in its judgment considers that normalcy is restored.

3. Disruption of operations of any one or more units or division or subsidiary of the listed entity due to events such as strikes, lockouts etc.

- At the time of occurrence:
Impact on the production/operations in case of strikes/lock outs. Factory/unit where the strike/lock out takes place including reasons for such strike.
- Periodically, till complete normalcy is restored,:
a) The impact of the strike/lock out in some quantifiable terms like loss of production, loss of man-days, etc.

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b) Steps taken for restoration of normalcy.

c) Inform the Exchange as and when strike/lock out is called off along with quantitative information on actual impact of such strike / lock out.

4. Disclosure on commencement or closure of commencement operations.

- Listed Entity, should inform the Exchange if and when a material commercial production or service is commenced or shut down.
- The disclosure should also include projected financial impact with appropriate disclaimers of commencement/cessation of commercial production or services
- Listed Entity, shall Issue a clarification to the Exchange if there is a material variation in the disclosures made earlier in this regard.

5. Disclosures regarding pricing/realization/profitability arising out of change in the regulatory framework:

- Listed Entity, shall inform the Exchange about material changes in pricing/realization/profitability arising out of change in the regulatory framework.
- The disclosure may also quantify impact of such regulatory framework on the pricing/realization if it is not in conflict with confidentiality requirements.

6. Disclosure relating to Litigation/dispute/regulatory action with a material impact:

- The Listed entity shall keep the Exchange informed of any litigation/dispute developments with respect to any dispute in conciliation proceedings, litigation, assessment, adjudication or arbitration to which it is a party or the outcome of which can reasonably be expected to have a material impact on its present or future operations or its profitability or financials. The Listed entity may consider the impact of such disclosure on legal/court proceedings while making the disclosures and make the disclosure accordingly. If, Listed Entity is of the opinion that making any such disclosure is not in the interest of the Listed Entity, disclosure may be limited to the extent of stating the occurrence of the event.
- The Listed Entity shall keep the Exchanges informed of cessation/conclusion/settlement of the above said litigation/dispute along with the concluding order or concluding settlement information.

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7. (i) Litigation/dispute/regulatory action with a material impact:

- The listed entity shall notify the Exchange upon it or its key management personnel or its promoter / ultimate person in control becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the listed entity, the outcome of which can reasonably be expected to have a material impact.
- Brief details of litigation viz. name(s) of the court/ tribunal/agency where litigation is filed, brief details of dispute/litigation;
- Expected financial implications, if any, like compensation, penalty etc;

7. (ii) Periodically till the litigation is concluded or dispute is resolved :-

- The details of any material change in the status and / or any material development in relation to such proceedings;
- In the event of settlement of the proceedings, details of such settlement including - material terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.

8. Revision in Ratings:

- The Listed Entity shall promptly notify the Exchange, but not later than 24 hours, the details of any rating or revision in rating assigned to any debt or equity instrument of the Listed Entity or to any fixed deposit programme or to any scheme or proposal of the Listed Entity involving mobilization of funds whether in India or abroad provided the rating so assigned has been quoted, referred to, reported, relied upon or otherwise used by or on behalf of the Listed Entity.
- In case of downward rating, the disclosure may include reasons published by rating agency for such downward rating.

9. Disclosures relating to Any other information having bearing on the operation/performance of the Listed Entity as well as price sensitive information, which includes but not restricted to;

I. Issue of any class of securities.

- a) Type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- b) Type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment, FCCB, ECB borrowings etc);
- c) Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);

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d) In case of preferential issue the listed entity shall disclose the following additional details to the Exchange

- i. Issue period;
 - ii. Names of the investors and of these, which are promoters or promoter group entities,
 - iii. Post allotment of securities: -outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors
 - iv. In case of convertibles; intimation on conversion of securities or on lapse of the tenure of the instrument;
- II. Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off or selling divisions of the Listed Entity, delisting, redemption/ cancellation/retirement of any securities issued by the Listed Entity.

This should be informed at time of Board approval or any committee authorized by the Board.

- Acquisition / agreement to acquire:
 - a) Name of the target entity
 - b) Whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof;
 - c) Whether the acquisition would fall within related party transactions? If yes, whether the same is done at 'arm's length;
 - d) Industry to which the entity being acquired belongs;
 - e) Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);
 - f) Brief details of any governmental or regulatory approvals required for the acquisition;
 - g) Indicative time period for completion of the acquisition;
 - h) Estimated cost of acquisition or the price at which the shares are acquired;
 - i) Nature of consideration - whether cash consideration or share swap and details of the same;
 - j) Percentage of shareholding / control acquired and / or number of shares acquired;
 - k) Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

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*Explanation: For the purpose of the above disclosures the term 'acquisition' shall have the same meaning as defined in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011]

- **Amalgamation/ Merger**
 - a) Name of the entity (ies) forming part of the amalgamation/merger;
 - b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at, arm's length;
 - c) Area of business of the entity (ies);
 - d) Rationale for amalgamation/ merger;
 - e) In case of cash consideration amount or otherwise share entitlement/exchange ratio in relation to the amalgamation/merger; brief details of change in shareholding pattern (if any) of listed entity;
- **De-merger**
 - a) Brief details of the division to be demerged;
 - b) Turnover of the demerged division and as percentage to the total turnover of the listed
 - c) Entity in the immediately preceding financial year / based on financials of the last financial year;
 - d) Rationale for demerger;
 - e) Brief details of change in shareholding pattern (if any) of all entities;
 - f) In case of cash consideration – amount or otherwise share exchange ratio;
 - g) Whether listing would be sought for the resulting entity;
- **Sale or disposal of unit or division or subsidiary of the listed entity:**
 - a) The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;
 - b) Date on which the agreement for sale has been entered into
 - c) The expected date of completion of sale/disposal;
 - d) Consideration received from such sale/disposal;
 - e) Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.
 - f) Whether the transaction would fall within related party transactions? If yes, whether the same is done at arm's length
 - g) Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.

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h) For the purpose of this sub-clause, "slump sale" shall mean the transfer of one or more undertakings as a result of the sale for a lump sum consideration without values being assigned to the individual assets and liabilities in such sales.

- **Other Restructuring**

- a) Details and reasons for restructuring;
- b) Quantitative and/ or qualitative effect of restructuring;
- c) Details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring;
- d) Brief details of change in shareholding pattern (if any) of all entities;
- e) Disclosure should include details like rationale for the scheme, the consideration involved, entities concerned in the transaction, (specifics on whether promoter / promoter group), clarity on whether it could be classified as a related party transaction, brief background of the business, financial impact, impact on shareholdings , additional approvals required before completion of transaction, effect of restructuring of debt or capital.

- **Voluntary delisting by the Listed Entity from the stock exchange(s).**

- **Any action, which will result in alteration in, the terms regarding redemption/ cancellation/retirement in whole or in part of any securities issued by the Listed Entity.**

III. In case of issuance of depository receipts (ADR/GDR) or FCCB the listed entity shall disclose following additional details to the Stock Exchange(s):

- i. Name of the Stock Exchange(s) where ADR/GDR/FCCBs are listed (opening – closing status) / proposed to be listed;
- ii. Existing number of ADR/GDR/FCCBs and number of holders, if any;
- iii. Proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
- iv. Proposed date of allotment, tenure, date of maturity and coupon offered, if any of FCCB's;
- v. Issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate.);
- vi. Change in terms of FCCBs, if any;
- vii. Details of defaults, if any, by the listed entity in payment of coupon on FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);

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10. Cancellation of dividend /rights/bonus, etc.

Companies should detail reasons for cancellation of the same.

Note: The term 'material' wherever appears in the guidance note shall mean any individual transaction or arrangement which, in the opinion of the Authority of the listed entity, is significant to the operations or performance of listed entity.

Dissemination:

The disclosures as per the guidance given above shall be made to the Exchange promptly and accurately and with due authorisation, such that present and potential investors are able to take informed decision relating to their investment in the Listed Entity. The Exchange will disseminate such information given by Listed Entity on its website. In case Exchange is of the opinion that the disclosure made is inadequate, the Exchange may seek further clarification/explanation from the Listed Entity. The Exchange will disseminate all the correspondence/ clarification received from the Listed Entity in relation to disclosure under Clause 36 on its website.

INDEMNITY AND RESPONSIBILITY

103. (i) Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Board of

Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Directors, Manager, Officer or employees may incur or become liable to by reason of any contract entered into or act or deed done by him or them as such Directors, General Manager, Manager, Officers or servants or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims;

- (ii) Subject as aforesaid every Director, Manager or Officer of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgement is given in his or their favour or in which he or they are acquitted or in connection with any application under Section 633 of the Act in which relief is given to him or them by the Court.

104. Subject to the provisions of Section 201 of the Act, no Director, Manager, or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for the sake of conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board of Directors for or on behalf of the Company, or for the insufficiency or deficiency of and security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by an error of judgement or oversight on his or their part, or for any other loss or damage or misfortune whatever which may happen in the execution of the duties of his or their office or in relation thereto unless the same happen through his own dishonesty.

Not responsible
for acts of others

Directors and
others right to
indemnity