

Regd. Office & Corporate Office : 373, Industrial Area-A, Ludhiana - 141 003 (INDIA)  
Phones : 91-161-2600701 to 705, 2606977 to 980 Fax : 91-161-2222942, 2601956  
E-mail : secnsm@owmnahar.com Web Site : www.owmnahar.com  
CIN No. : L17115PB1980PLC004341

## CODE OF CONDUCT

Nahar Spinning Mills Limited continues to practice good Corporate Governance. The Company firmly believes that good Corporate Governance is the key to success in business. The Company's corporate philosophy envisages creation and maximization of Shareholder's/ Stake holder's wealth while observing the highest levels of transparency and accountability.

**Code of Conduct for Board Members and Senior Management** Nahar Spinning Mills Limited is committed to conduct its business in accordance with the applicable laws, rules and regulations and the highest standards of transparency. The herein mentioned code of conduct, applies to all the Directors and Senior Managers of the Company and sets forth specific guidelines for the performance of their professional duties/responsibilities.

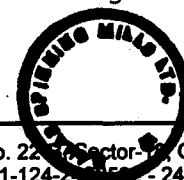
**Compliance with Laws, Rules and Regulations** All Directors and Senior Management Personnel shall act in the interest of the company and shall comply with all the applicable laws, rules and regulations of the relevant regulatory and other authorities as may be applicable to such Directors and Senior Management Personnel in their individual capacities.

### **Duties and Responsibilities of Independent Director**

Independent Director, shall bring independence of view to the Board's discussions and help the Board to exercise their best judgement to all business decisions. Their presence on the Board shall also assist the Board with valuable guidance in relation to the Company's plan and policy, performance, and risk management as well as ensuring High Standards of Financial Probity and Corporate Governance.

Independent Director shall have the same responsibilities to the Company and its stakeholders as any other Director. There are certain duties prescribed in Section 166 of the Companies Act, 2013 for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

1. They will act in accordance with the Company's Articles of Association.
2. They will 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 interest of the Company, its employee, the shareholders, the community and for the protection of environment.
3. They will discharge their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. They will not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. They will not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.



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6. They will not assign their office as Director and any assignments so made shall be void.

**Conflict of Interest** No Director or Senior Management Personnel shall engage in any business or activity or enter into any relationship which might result in conflict of interest with that of the company unless he/she makes full disclosure of all the facts and circumstances to the Audit Committee and obtains written approval of Chairman or Managing Director of the company.

**Security Transactions/Confidential Information** All Directors and Senior Management Personnel shall safeguard the confidentiality of all the information that they become privy to in connection with the company's business and shall not derive any benefit or assist others to derive any benefit from such confidential information which is not in the public domain and thus, continues to be "insider" information.

**Protecting company's assets** All Directors and Senior Management/Personnel shall protect the company's assets and ensure their efficient use for the conduct of Company's business.

**Disclosures** All Directors and Senior Management Personnel shall disclose all the financial/commercial transactions in which they might be or deemed to be involved or interested either himself/herself or through their relatives as defined in the Act.

