

## BLACK ROSE INDUSTRIES LIMITED

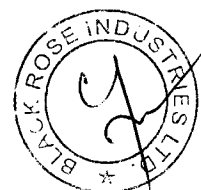
### CODE OF BUSINESS CONDUCT FOR BOARD AND SENIOR MANAGEMENT EXECUTIVES

#### 1. RATIONALE

- 1.1 In view of the fact that, with effect from July 5, 2011 the total paid – up share capital of the company has crossed the threshold limit, the Company is required to comply with the provisions of Clause 49 of Listing Agreement with Bombay Stock Exchange Limited.
- 1.2 As per Clause 49 of the Listing Agreement, the Board shall lay down a code of conduct for all Board Members and Senior Management of the Company and that all the Board Members and Senior Management Personnel shall affirm compliance with the code on an annual basis.

#### 2. INTRODUCTION

- 2.1 This Code of Conduct (hereinafter referred to as “Code”) is applicable to the Board Members (hereinafter referred to as “Directors”) and Senior Management Personnel (hereinafter referred to as Senior Management) of Black Rose Industries Limited (hereinafter referred to as the “Company”). It reflects the Company’s underlying core ethical values and commitment to lay standards of integrity, transparency, fairness, accountability and pursuit for excellence.
- 2.2 The purpose of this Code is to demonstrate the ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Management by the stakeholders and business partners. All Directors and Senior Management, must adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- 2.3 The principles prescribed in this Code are general in nature and lay down broad standards of compliance to Clause 49 of the Listing Agreement with the Stock Exchanges, where the shares of the Company are listed for trading.
- 2.4 For the avoidance of doubt, it is hereby clarified that this Code is applicable to all Directors and Senior Management, including the Non-Whole Time Directors.
- 2.5 The Code comes into force with effect from 15<sup>th</sup> July, 2011
- 2.6 All Directors and Senior Management shall sign the acknowledgement in the prescribed form and return the form to the Company Secretary indicating that they have received, read and understood the provisions of the Code, and agree to comply with the same. All Directors and Senior Management shall be required to affirm compliance with this Code on an annual basis, within 30 days of close of every financial year to the Company Secretary.



### 3. DEFINITIONS & INTERPRETATION

3.1 In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

**“Directors”** shall mean all the members of the Board of Directors of the Company, including the Non-Whole-time Directors.

**“Chairman”** shall mean the person occupying the position of Chairman of the Board of Directors of the Company.

**“Company”** shall mean the Black Rose Industries Limited.

**“Whole-time Directors”** shall mean the Board Members who are in whole-time employment of the Company.

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

**“Senior Management”** shall mean “Key Executives” of the Company one level below the Board of Directors including persons on contract employment occupying similar positions.

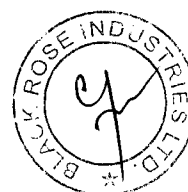
**“Relative”** shall mean ‘relative’ as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956, as reproduced in Appendix –III hereto.

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

### 4. APPLICABILITY

4.1 This Code shall be applicable to the following persons:

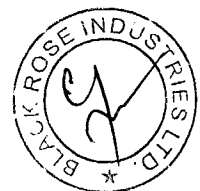
- (i) All Directors; and
- (ii) Senior Management



## 5. KEY REQUIREMENTS

5.1 The Directors and Senior Management shall act within the authority conferred upon them in the best interests of the Company and will:

- a. act in the best interest of, and fulfill their fiduciary obligations to the Company and its shareholders;
- b. act honestly, fairly, ethically and with integrity;
- c. conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position;
- d. act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- e. use their prudent judgement to avoid all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Company;
- f. not exploit for his/her own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the Company declines to pursue such opportunity for its business interest(s);
- g. avoid conducting business on behalf of the Company except with the prior approval of the Board; with (a) relative (b) a Private Limited Company in which he/she is a Member or a Director (c) a Public Limited Company in which he/she or his/her relative holds 2% or more shares or voting right and (d) with a firm in which his/her relative is a partner or any other partner in such a firm;
- h. disclose and avoid having any personal and/or financial interest in any business dealings concerning the Company;
- i. avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company;
- j. not hold any positions or jobs or engage in outside businesses or other interests that are prejudicial to the interests of the Company; and
- k. inform the Board, at the earliest opportunity, any existing or potential conflict of interest situation.
- l. it is clarified that it would not be a conflict of interest for the Directors & Senior Management of the Company or their relatives to have dealings in normal course with and to obtain services from persons or entities who also deal/provide services to the Company, including legal, accounting or brokerage services, loans & services from banks or insurance from insurance companies etc., at rates customary for similarly situated customers.



## **6. OTHER DIRECTORSHIPS**

6.1 Unless specifically permitted by the Board, the Directors shall not serve as Director of any other Company or as partner of a firm that is engaged in a competing business with the Company.

6.2 Senior Management shall obtain prior approval of the Chairman/Managing Director/Competent Authority for Directorship of any other company or partnership of a firm.

## **7. GIFT AND DONATIONS**

The Directors and the Senior Management shall neither receive nor offer or make, directly or indirectly, any gifts, donations or comparable benefits which are intended to or perceived to obtain undue favours in the transactions, detrimental to the interests of the Company, except for nominal value, which are customarily given and/or are of commemorative nature for special events and should never be of a kind that could create an appearance of impropriety.

## **8. PUBLIC REPRESENTATION**

The Company honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing information in relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorised directors and employees. It will be the sole responsibility of these authorised representatives to disclose Company related information.

## **9. INSIDER TRADING**

The Directors and Senior Management shall comply with the Code of Conduct for prevention of Insider Trading of the Company in dealing with the securities of the Company as applicable from time to time.

## **10. CONFIDENTIALITY OF INFORMATION**

Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors and Senior Management have access or which is possessed by the Directors and Senior Management, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless (1) specifically authorised; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws



## **11. REGULAR COMPLIANCE**

Every Director and Senior Management, shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

## **12. HEALTH, SAFETY AND ENVIRONMENT**

The Directors and Senior Management shall remain committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

## **13. PROTECTION OF ASSETS**

The Directors and Senior Management of the Company shall not misuse the assets of the Company. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relations with customers and suppliers, etc.,

## **14. AMENDMENTS TO THE CODE**

The provisions of this Code can be amended/modified by the Board of Directors of the Company from time to time in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise and all such amendments/modifications shall take effect from the date stated therein. All Directors and Senior Management shall be duly informed of such amendments and modifications.

## **15. PLACEMENT OF THE CODE ON WEBSITE**

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

## **16. ENFORCEMENT OF CODE OF CONDUCT**

All Directors and/or Senior Management shall be accountable for fully complying with this Code.

## **17. CONSEQUENCES OF NON-COMPLIANCE OF THIS CODE**

17.1 In case of breach of this Code of the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary.

17.2 In case of breach of this Code by the Senior Management, the same shall be dealt with by Chairman/Managing Director for initiating appropriate action, as deemed necessary.

