



# ALBERT DAVID LIMITED

CIN: L51109WB1938PLC009490; Regd. Office: 'D' Block, 3<sup>rd</sup> Floor, Gillander House,  
Netaji Subhas Road, Kolkata - 700001; Tel.: 033-2262-8436 Fax: 033-2262 8439  
Email: [adidavid@dataone.in](mailto:adidavid@dataone.in) Website: [www.albertdavidindia.com](http://www.albertdavidindia.com).

## CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

[THIS REVISED CODE IS EFFECTIVE FROM 1<sup>ST</sup> APRIL, 2019]

### 1. Preamble

Albert David Ltd. ("ADL" or "the Company") firmly believes in and has consistently endeavored to practice good corporate governance and has acted as a good corporate citizen all along. The spirit of Corporate Governance prevailed in the Company and influenced its decisions and policies long before the guidelines became mandatory. The Company ensures that the control systems are adequate and the Board of Directors frame the policies and charts the path to be treaded by the Company in its voyage for growth.

With a view to continuously maintain the spirit and practice of good governance, this Code of Conduct for Board of Directors and Senior Management Personnel ("the Code") lays down a set of guidelines to be followed by the Board of Directors and the senior management team in order to bring transparency, professionalism, accountability and responsibility in their actions and focuses on the broader ethical issues governing the conduct in discharging their respective functions in the Company for realizing the ultimate objective of value addition and value creation.

It is expected that every member of the Board of Directors and the Senior Management team will exercise good judgment in compliance with the principles as set out in this Code and they would avoid every circumstance which would violate the spirit of this Code of Conduct.

### 2. Applicability of the Code

The Code is applicable to each member of the Board of Directors and the Senior Management team of the Company.

"Senior Management" shall mean officers/personnel of the Company who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the Managing Director & CEO, /whole time director/ manager (including chief executive officer/manager, in case they are not part of the board) including the Company Secretary and Chief Financial Officer. Senior management shall also include heads of Sales Depots and Departmental Heads.

### **3. Code of Conduct:**

The Board of Directors and Senior Management of the Company (hereinafter collectively referred to as “members”) should adhere to and abide by the following guidelines:

#### **A. Statutory Compliances**

The members shall adhere to and comply with the provisions of all applicable laws, rules and regulations as well as the Company’s internal guidelines, codes and policies framed from time to time. The members shall also endeavour to ensure that the officers of the Company are complying with the various statutory compliances efficiently and effectively and proper procedures are being followed in this regard.

#### **B. Honest and Ethical Conduct**

The members shall act honestly, objectively and effectively in a fair and transparent manner for advancing the interests of the Company. They must abide by the policies, codes and procedures framed and adopted by the Company and must respect and adhere to ethical and fair business practices. The members shall use due care and diligence in performing their duties and responsibilities attached to their respective office and exercise their powers in good faith for fulfilling their obligations towards the Company and its Stakeholders.

#### **C. Conflict of Interest**

The members shall avoid any situation that would lead to or tend to lead to any conflict of interest. Conflict of interest is a situation where personal interest may, in any way, interfere with the interests or benefits of the Company impacting the exercise of independent judgment while discharging one’s duties and responsibilities. In case of a situation that involves or appears to involve conflict of interest, the members of the Board of Directors should make a suitable disclosure to the Board and abstain from participating in any discussion for such transaction. The members are expected not to derive any improper personal benefit or a benefit to any of their relatives from the Company, including by making or influencing decision relating to any transaction of the Company.

#### **D. Confidentiality of Information**

“Confidentiality of information” includes all information the Company not authorized by the management for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to financial results, dividends, mergers and acquisitions, stock splits and divestitures; non-public information about discussions and deliberations relating to business issues and decisions between and among employees, officers and Directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time. The members are advised to refer to the Code of Conduct for Prevention of Insider Trading and abide by the same.

The Company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. Directors/Senior Management shall ensure that no confidential information is disclosed /misused inadvertently or otherwise.

Directors/Senior Management shall ensure that all confidential information available to them by virtue of the office including Board Meeting papers including Agenda and Minutes etc. that they may hold or peruse is never directly or indirectly released or disclosed to any person or entity, or made public.

#### **E. Protection and proper use of Company's resources**

The members shall ensure that the assets and resources of the Company are properly, judiciously and efficiently used for its business purposes and are properly safeguarded. Any unauthorized use of the Company's assets should not be allowed and appropriate steps should be taken for the same.

#### **F. Other Directorships / Committee Membership**

Serving on the Boards of Directors (including Committee of Directors) of other companies may raise substantial concerns about conflict of interest. Therefore, all Directors and employees must report / disclose such relationships to the Board of ADL, when such relationships are formalized and thereafter, on an annual basis or whenever there is any change. In view of this, the prior written consent of the Managing Director & CEO and in his absence a whole time director must be obtained before joining the Board of Directors of any other pharmaceutical company.

#### **G. Gifts and Gratuities**

The purpose of business entertainment and gifts in a commercial set up is to create good will and sound working relationships, not to gain unfair advantage with suppliers and customers. No gift or other favors should ever be offered, given, provided or accepted by any Director and employees, or close relative of Director and employees unless it :

- is not a cash gift;
- is consistent with customary business practices cannot be construed as a bribe or payoff and does not violate any law or regulation.

This policy does not bar acceptance of courtesies or invitations to social or sports events which are customary and proper under the circumstances and in keeping with good business ethics so long as no obligation is involved in such acceptance. Any gift which does not satisfy the above criteria should not be accepted and shall be returned immediately and be reported to supervisor / reporting authority. If immediate return is not practical, they should be given to the Head, Human Resources or the Compliance Officer for charitable use or such other use as the Company believes appropriate in its sole discretion.

Common sense and moderation should prevail in business entertainment engaged in on behalf of the Company. Director and employees should provide, or accept, business entertainment to or from anyone doing business with the Company only if the entertainment is infrequent, modest and intended to serve legitimate business goals.

#### **H. Sexual Harassment**

Sexual harassment is illegal under Indian laws and a violation of the Company's policies. An employee engaging in sexual harassment will be subject to disciplinary action up to and including termination of employment and/or liable to indemnify the Company for the loss incurred by the Company on account of his such action/inaction and/or forfeiture of the termination benefits, if any (or to say to the extent of the loss suffered by the Company on account of his engaging in sexual harassment).

#### **I. Code for Independent Directors**

The Independent Directors of the Company shall –


- ❖ undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

- ❖ 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;
- ❖ strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- ❖ participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- ❖ strive to attend the general meetings of the company;
- ❖ 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;
- ❖ keep themselves well informed about the company and the external environment in which it operates;
- ❖ not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ❖ 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
- ❖ ascertain and ensure that the Company has an adequate and functional Vigil Mechanism / Whistle Blower Policy and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- ❖ report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- ❖ acting within his/her authority, assist in protecting the legitimate interests of the Company, Shareholders and its Employees;
- ❖ 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.
- ❖ adhere to the Schedule IV and all applicable provisions of the Companies Act, 2013 and the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, as amended.

#### 4. Annual Affirmation with compliance of this Code of Conduct:

All Members of the Board of Directors and Senior Management Personnel shall affirm compliance with this Code on an annual basis.

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For ALBERT DAVID LIMITED  
  
 (Indrajit Dhar)  
 Associate V.P. (Accounts & Taxation)  
 & Company Secretary