

RAIN INDUSTRIES LIMITED

CODE OF CONDUCT POLICY

RAIN INDUSTRIES LIMITED

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Telangana State, India.
CIN: L26942TG1974PLC001693

CODE OF CONDUCT FOR BOARD MEMBERS AND EMPLOYEES OF RAIN INDUSTRIES LIMITED

Foreword

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 every Listed Company shall have a code of conduct for Board members and employees.

Accordingly, Rain Industries Limited has formulated a written Code of Conduct for Board of Directors and employees.

The following code sets out in written form the agreed standards of principle and practice which should be followed in performing their duties as Board Members and Employees and they are expected to comply with the Code.

Principles

The underlying principle is that Board Members and Employees will strive to perform their duties according to the highest ethical standards of honesty, integrity, accountability, confidentiality, independence and legality.

The procedures and guidelines incorporated hereinafter are intended to deal with the most common practical implications of the above principles, but they cannot deal specifically with every potential situation that may arise. Where a member is in doubt as to how a particular situation should be dealt with from an ethical standpoint, he/she may consult with the Chairman or Company Secretary of the Board, or he/she may request independent professional advice at a reasonable expense of the Company.

Where a member wishes to take such advice, he/she should first consult with the Company Secretary.

I. Introduction

This Code of Conduct for Board Members and Employees helps maintain the standards of business conduct for Rain Industries Limited and ensures compliance with legal requirements, specifically Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the rules promulgated thereunder. The purpose of the Code is to deter wrongdoing and promote ethical conduct. The matters covered in this Code are of the utmost importance to the Company, its shareholders, business partners and bankers. Further, these are essential so that the Company can conduct its business in accordance with stated values.

Ethical business conduct is critical to the Company's business. Accordingly, Board Members and Employees are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with all applicable laws, rules and regulations, and all applicable policies and procedures adopted by the Company that govern the conduct of its employees.

Because the principles described in this Code are general in nature, Employees should also review the Company's other applicable policies and procedures.

It should be noted that, nothing in this Code or in any Company policies and procedures, or in other related communications (verbal or written), creates or implies an employment contract or terms of employment.

Each year, as part of their annual review, Board members and Employees will be asked to sign an acknowledgment indicating their continued understanding of the Code.

II. Honest and Ethical Conduct:

We expect all Board members and Employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at customers/suppliers locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where Board members and Employees are representing the Company.

We consider honest conduct to be conduct that is free from fraud or deception. We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. This is discussed in more detail in Section III below.

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting the Company Secretary.

III. Disclosure of Interest

a) Details of directors employment/business interest

Board members will provide the Company Secretary (on appointment, annually when requested by the Company Secretary and where significant changes occur in the interim) with details relating to his/her employment and all other business interests in accordance with the detailed procedures set out in Section 184 and Section 188 of the Companies Act, 2013 and rules made thereunder.

b) Disclosure of Information and Confidentiality

The Board members and Employees supports the general principle of providing information on its activities in a way that encourages a spirit of accountability to its

stakeholders, clients and to the general public. However, Board members will not disclose, either during or after their term of office, any information which is commercially or operationally sensitive, confidential or personal.

c) Dealings in Shares, Property or Otherwise

In addition to any obligations under law, Board members and Employees agree not to use any information obtained by virtue of their position for the purpose of dealing (directly or indirectly) in shares, property or otherwise.

d) Gifts and Preferential Treatment

Board members and Employees undertake not to give or receive corporate gifts, hospitality, preferential treatment or other benefits that might affect, or could reasonably appear to affect, the ability of the Board members and Employees to make independent judgements on transactions involving the Company.

e) Fairness and Work / External Environment

Board members and Employees recognise their responsibility to act fairly towards clients, employees and the general community and support the principles of Health and Safety, Environmental Best Practice and Equality legislation.

IV. Conflict of Interest

Board member and Employees's duty to the Company demands that he or she discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

Employment/Outside Employment: In consideration of employment with the Company, Employees are expected to devote their full attention to the business interests of the Company. Employees are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. Company's policies prohibit Employees from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, Employees must disclose to the Company's audit committee, any interest that they have that may conflict with the business of the Company.

Outside directorships: It is a conflict of interest to serve as a director of any company that competes with the Company.

Business Interests: If Board member or Employees is considering investing in any customer, supplier, developer or competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities to the Company. Our policy requires that Board member and Employees first obtain approval from the Company's audit committee before making such an investment. Many factors should be considered in determining whether a conflict exists, including the size and nature of the

investment; the Board member or Employees ability to influence the Company's decisions; his or her access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

Related Parties: As a general rule, Board member and Employees should avoid conducting Company's business with a relative, or with a business in which a relative is associated in any significant role. Relative means as defined in Section 2(77) of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company discourages the employment of relatives of Employees in positions or assignments within the same department. Further, the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g., an auditing or control relationship, or a supervisor / subordinate relationship).

Payments or gifts from others: Under no circumstances a Board member and Employees accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Gifts given by the Company to suppliers or customers, or received from suppliers or customers, should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in the Company's books and records.

Corporate Opportunities: A Board member and Employees shall not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such opportunity.

Other Situations: Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Board member must consult the Company's audit committee.

V. Disclosure to the Stock Exchanges and the Public

Company's policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that it files with, or submits to, the Stock Exchange and in its other public communications. Accordingly, Board members and Employees must ensure that they and others in the Company comply with the disclosure controls and procedures, and internal controls for financial reporting.

VI. Compliance with Laws, Rules and Regulations

Board members and Employees must comply with all applicable Laws, Rules and Regulations. Board members and Employees must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers. Violations of applicable Laws, Rules and Regulations may subject Employees to

individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

VII. Violations of the Code

Board member and Employees's ethical responsibility, is to help enforce this Code. Board member and Employees should be alert to possible violations and report this to the Company Secretary. Board member and Employees must cooperate in any internal or external investigations of possible violations.

Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Actual violations of law, this Code, or other Company policies or procedures, should be promptly reported to the HR Department or Company Secretary.

The Company will take appropriate action against any Board member or Employees whose actions are found to violate the Code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities.

VIII. Waivers and amendments of the Code:

Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors and promptly displayed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

IX. Additional Code of Conduct for Board Members:

In addition to the above mentioned code of conduct the Board members should adhere to the following :

As a member of the Board of Directors, they should:

- ☞ Listen carefully to fellow Board members;
- ☞ Carefully consider and respect the opinions of fellow Board members;
- ☞ Respect and support all majority decisions of the Board;
- ☞ Recognize the authority vested in the Board;
- ☞ Keep well-informed of developments relevant to issues that may come before the Board;

- ☞ Participate actively in Board meetings and actions and not discuss elsewhere what a Director is unwilling to discuss in Board meetings;
- ☞ Bring to the attention of the Board any issues they believe will have significant effect on the Company's organization or those they serve;
- ☞ Refer complaints directly to the proper level on the chain of command;
- ☞ Recognize that the duty of a Director is to ensure that the organization is well-managed, not necessarily to manage the organization;
- ☞ Represent all those whom this organization serves vs. geographic or special interest groups;
- ☞ Consider as a "trustee" of the organization and do his best to ensure it is well-maintained, financially secure and always operating in accord with Company's stated objectives.
- ☞ Work to learn how to do job better; and
- ☞ Acknowledge conflicts of interest between personal life and position on the Board and abstain from voting or attempting to influence issues in which the Director is interested.

As a member of the Board of Directors, they should not:

- ☞ Criticize fellow Board members or their opinions, outside of the Board room;
- ☞ Use the organization or his position for his personal advantage or that of his friends, relatives or associates;
- ☞ Discuss the confidential proceedings of the Board outside the Board room;
- ☞ Interfere with the duties of staff or undermine the authority of staff/executive to perform his/her duties; and
- ☞ Speak for and on behalf of the organization unless specifically authorized to do so.

X. Duties of Independent Director

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.

By Order of the Board
for Rain Industries Limited

PLACE: Hyderabad
DATE: 19.02.2016

N. Jagan Mohan Reddy
Managing Director
DIN: 00017633