

## **CODE OF BUSINESS CONDUCT AND ETHICS**

**Introduction:** The Board of Directors ('the Board') of The Andhra Pradesh Paper Mills Limited ('the Company') has approved the following Code of Business Conduct and Ethics for the Directors of the Company and all employees of the rank of General Managers and above (Covered Employees).

The Company is a professionally managed organization and it is committed to ethical and lawful business conduct. This Code of Conduct shall be followed by the Directors and the Covered Employees both in letter and spirit.

The Board reserves the right to expand or amend the coverage of employees under this Code and also alter or terminate the Code at any time subject to applicable law.

The Directors and Covered Employees who violate the Code will be liable for disciplinary action which may include termination of office/employment.

In performing their functions, the Directors and Covered Employees will act with integrity, honesty, transparency and with utmost good faith.

### **1. Compliance with the Laws applicable to the Company:**

All the Directors and Covered Employees must comply with all the applicable laws, rules and regulations.

### **2. Insider Trading:**

In order to assist with compliance of laws/regulations against Insider Trading, the Company has already adopted Code of conduct for prevention of Insider Trading which is applicable to every Director/designated employee.

Compliance with Code of Conduct for prevention of Insider Trading is mandatory.

### **3. Conflict of Interest:**

A conflict of interest arises where personal interest, interferes in any way with the interests of the Company. As a general rule, the Directors and the Covered Employees should avoid such conflict of interest.

It is deemed to be a conflict of interest or independence for a Director/Covered Employee to work simultaneously for a competitor, customer or supplier.

Directors/Covered Employees are not allowed to work for a competitor as a consultant or Member of the Board unless approved by the Board. Conflicts of interest are prohibited as a matter of Company's policy, except in exceptional circumstances and with the prior approval of the Board and subject to limitations imposed by law. Whenever conflicts of interest are not clear, a Covered Employee/Director should seek guidance of his/her immediate superior and/or the Chairman of the Audit Committee.

A Director's disclosure of interest under Section 299 of the Companies Act, 1956 shall be treated as sufficient compliance under this clause regarding situations of potential conflicts of interest.

#### **4. Fair Dealing:**

Each Director/Covered Employee should deal fairly with Company's customers, suppliers, competitors and employees and should not take undue advantage of anyone through any intentional unfair dealing practice. Pilfering proprietary information, possessing trade secret information which was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

#### **5. Confidentiality:**

Each Director/Covered Employee shall maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them from whatever source in their capacity as Directors/Covered Employees except when disclosure is duly authorized by the Audit Committee or the Board of Directors or is required by laws or regulations. Use of confidential information for personal gain is strictly prohibited.

#### **6. Protection and Proper use of Company Assets and Proprietary Information:**

All Directors/Covered Employees must protect the Company's assets and ensure their efficient use. Any suspected incident of fraud or theft should be immediately reported to CEO and in appropriate cases, the Chairman of the Audit Committee for investigation. The Company's assets should not be used for personal use.

#### **7. Protection of Proprietary Information:**

Proprietary information includes intellectual property such as trade secrets, patents, trademarks, designs and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records and unpublished financial information. Unauthorized use or distribution of this information is prohibited.

#### **8. Reporting of any violation of this Code:**

If any Director/Covered Employee believes that a violation of or significant deviation from the Code has taken place, he/she must report the same to the CEO and in appropriate cases, the Chairman of the Audit Committee.

Use of the above reporting in bad faith or in a false or frivolous manner will be considered a violation of the Code.

#### **9. Waiver of the Code:**

Any waiver of the Code or any provision of the Code for any Director/Covered Employee should be made only by the Board of Directors and disclosed as required by SEBI/Stock Exchange Regulations.

#### **10. Compliance Procedures:**

Every Director and Covered Employee shall affirm compliance with the Code on or before 15<sup>th</sup> April of each year in the prescribed form given in the Appendix.

Appendix

Date:

To  
The Board of Directors,  
The Andhra Pradesh Paper Mills Limited  
5<sup>th</sup> Floor, Swapnalok Complex,  
S.D.Road,  
SECUNDERABAD :: 500 003.

Dear Sirs,

I, \_\_\_\_\_ am a Director/Covered Employee under the Code of Business Conduct and Ethics of the Company adopted by the Board of Directors on \_\_\_\_\_.

I hereby affirm compliance with the said Code for the financial year ended 31<sup>st</sup> March, \_\_\_\_\_.

In case any section of the Code has not been complied with, please state exact section and circumstances in which the Code was not complied with and/or waiver granted by the Board, if any.

Thanking you,

Yours faithfully,

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