



ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED

**INTERNAL CODE OF CONDUCT FOR BOARD OF DIRECTORS
AND SENIOR MANAGEMENT**

(Approved in Board Meeting held on May 25, 2025)

Human Resource & Company Secretarial Group

Internal Code of Conduct for Board of Directors and Senior Management

Asset Reconstruction Company (India) Limited (the “Company”) has articulated this Internal Code of Conduct for Board of Directors and Senior Management pursuant to its strong commitment to conduct its business practices in adherence with applicable laws, rules and regulations in consonance with the provisions of Memorandum & Articles of Association of the Company.

The purpose of this Code is to guide the Board of Directors and Senior Management and help them recognize ethical issues and to deal with them in effective manner. It also aims to cultivate the culture of honesty and accountability.

Every Director and Senior Management is expected to read this code and comprehend its application to the performance of his/her respective duties, responsibilities and functions.

Definitions:

In this Code:

“Act” means the Companies Act, 2013 read with the rules framed there under and includes any amendment thereof.

“Company” means Asset Reconstruction Company (India) Limited.

“Board” means the Board of Directors of the Company or any Committee thereof.

“Senior Management” in relation to the Company, means the officers and personnel of the Company who are members of its core management team excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

The reference to the masculine gender in the Code shall be deemed to include a reference to feminine gender unless specifically stated otherwise.

1. Every member of the Board of Directors of the Company should -
 - (i) Act with high standards of integrity, independence of thought and judgement and commitment and in accordance with the provisions of the Memorandum & Articles of Association of the Company.
 - (ii) Diligently perform his duties, dedicate sufficient time, energy and attention therefor including but not limited to making all reasonable efforts to attend Board & Committee Meetings and not to seek influence any decision of the Board for any consideration other than in the interest of the Company.

- (iii) Conduct his all actions and exercise any power vested in him in good faith for promotion of the objects of the Company and in the best interests of its Shareholders, its Employees, the Community and the Environment.
- (iv) Perform his duties with reasonable care, skill and independent judgement as he/she might be reasonably expected to exercise on his own behalf and not to evade responsibility regarding matters entrusted to him by the Board.
- (v) Not involve in a situation resulting in direct or indirect interest conflicting or which may possibly conflict with the interest of the Company.
- (vi) Not to acquire or attempt to acquire any undue gain or advantage either to himself or to his relatives, partners, associates, other firm or companies in which he is interested and shall be liable to indemnify the Company to the extent of the amount of undue gain or advantage achieved by such director or Senior Management.
- (vii) Not to assign transfer, sublet or encumber his office and his rights and obligations as director of the Company to any third party.
provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any Committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the Company.
- (viii) Disclose by general notice to the Board of the Company his other directorships, his memberships of bodies corporate, his interest in other entities and his interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.
- (ix) Provide to the Company a list of his relatives as defined in the Companies Act, 2013 and to the extent the director is aware of directorships and interests of such relatives in other body corporate, firms and other entities.
- (x) Disclose to the Board the nature of his direct or indirect interest with respect to any contract or arrangement entered into or to be entered into between the Company and any other person immediately upon becoming aware of the same or at a Board Meeting wherein such contract or arrangement is taken up for consideration and if not interested on that particular date, then at first Board Meeting held after such interest arose, if any.
- (xi) Keep himself informed about the business, activities and the financial status of the Company to the extent disclosed to him.
- (xii) Bring independent judgement to bear on all matters affecting the Company brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct.
- (xiii) Exercise his views and opinions at Board and Committee Meetings without any fear, favor and influence on exercise of his independent judgement.
- (xiv) Not interfere in performance of the duties by the Whole-Time Directors and other officers of the Company and shall forthwith disclose his concerns to the Board.

- (xv) Use information disclosed to him by the Company in the capacity and for the performance of the duties as a director of the Company/ Key Managerial Personnel/ Senior Management and not for any other purpose or for someone else's advantage.
 - (xvi) Ensure that there is adequate and functional vigil mechanism in the Company and the interests of the persons are not prejudicially affected and are adequately protected utilizing appropriate mechanism
2. Every Senior Management Personnel of the Company should -
- (i) Seek to comply with all the policies of the Company.
 - (ii) Conduct themselves in a professional, courteous, and respectful manner.
 - (iii) Act in a manner to enhance and maintain the reputation of the Company.
 - (iv) Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service except when authorized or legally required to disclose such information.
 - (v) Do not use confidential information acquired in the course of their service for their personal advantage.
3. The Company shall:
- (i) Apprise the director about the:
 - a. Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
 - b. control systems and procedures;
 - c. matters in which Director should not participate because of his interest, direct or indirect therein;
 - d. qualification requirements and provide copies of Memorandum and Articles of Association;
 - e. corporate policies and procedures;
 - f. insider dealing restrictions;
 - g. constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
 - h. appointments of Senior Executives and their authority;
 - i. remuneration policy;
 - j. deliberations of Committees of the Board; and
 - k. changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the Company, delegation of authority, Senior Executives, etc.
 - (ii) Disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the Company and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;

- (iii) Disclose to the directors matters including but not be limited to the following:
 - a. all relevant information for taking informed decisions in respect of matters brought before the Board;
 - b. Company's strategic and business plans and forecasts;
 - c. organizational structure of the Company and delegation of authority;
 - d. corporate and management controls and systems including procedures;
 - e. economic features and marketing environment;
 - f. information and updates on major expenditure;
 - g. periodic reviews of performance of the Company; and
 - h. periodic reports about implementation of strategic initiatives and plans;
 - i. any other information as deemed necessary from time to time
 - (iv) Communicate the outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of meetings of Board to directors in a timely manner as required under the Companies Act, 2013; and
 - (v) Advise the director about the levels of authority delegated in matters placed before the Board.
4. Company shall provide to the director periodic reports on the functioning of internal control systems including effectiveness thereof.
5. The failure on the part of the Director or the Company to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.
6. Any and all amendments and / or supplements and / or alterations to this Code of Conduct shall be valid and effectual only upon due approval by the Board. As a general policy, the Board shall not grant waivers to the code.
7. **Code for Independent Directors and Duties of Independent Directors of the Company as per Companies Act, 2013:**
- a) This Code of Conduct shall be deemed to include, by reference, the Code for Independent Directors under the Companies Act, 2013 (Schedule IV read with section 149(8) thereof).
 - b) Duties of Independent Directors of the Company in accordance with the Companies Act, 2013:

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.

8. Compliance Officer:

The Company has designated the Company Secretary as its Compliance Officer to administer this Code. The Directors, at their discretion, may make any report or complaint provided for in this Code to the Chairman of the Board of the Company or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

9. Compliance with Applicable Laws:

Directors and Senior Management must comply with all applicable laws, rules and regulations including but not limited to securities laws, insider trading laws and insider trading compliance policies in discharge of their duties and responsibilities.

10. Confidentiality:

Directors and Senior Management must maintain confidentiality of information entrusted or acquired by them during the course of performance of their duties and responsibilities, except in cases where such disclosure is authorized by the Company or mandated by any

applicable laws, rules or regulations for the time being in force or legal proceedings. "Confidential Information" means and includes non-public information which if disclosed, might be of use to competitors of the Company or harmful to the Company.

11. Reporting of any unethical or illegal behaviour:

Every Director is encouraged to promptly report to the Chairman of the Board or the Compliance Officer if he has observed any illegal or unethical behaviour by any employee, officer, director or Key Managerial Personnel or anyone purporting to act on Company's behalf or any violation or any possible violation of this code. Confidentiality of the reporting director shall be maintained, to the extent permitted by law.

12. Reporting:

As a Public Company, it attaches prime importance to aspects of fairness, completeness, timeliness and comprehensiveness of the Company's filings with the Securities & Exchange Board of India (SEBI), and/or the concerned Stock Exchange(s) on which securities of the Company are currently listed or may be listed in future. Directors and Key Managerial Personnel are expected to provide prompt and accurate answers to enquiries relating to the public disclosure requirements.

13. Review and amendments:

The Policy may be amended or substituted by the Board as and when required or when there are statutory or regulatory changes necessitating the change in the Policy. This Policy shall be reviewed by the Board on the recommendation of the Nomination and Remuneration Committee on an annual basis. Any deviation from the policy shall be approved by the Board of Directors.