

An ISO 9001:2015
Certified Company

PARMESHWAR METAL LIMITED

(Formerly Known as PARMESHWAR METAL PRIVATE LIMITED)

Registered Office & Factory: Survey No. 130P & 131, State Highway No. 69, Sampalavada Road,
Village Sujana Muvada, Post: Sampal, Ta.: Dehgam, Dist.: Gandhinagar, Gujarat, India-382315
Email: parmeshwarmetal2016@gmail.com, accounts@parmeshwarmetal.com
Ph.: +91 63592 27392 | Website: www.parmeshwarmetal.com | CIN: U28999GJ2016PLC093235



TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS AND CODE OF CONDUCT

1. PREAMBLE

Section 149 of the Companies Act, 2013 read with Rule 4 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides for the appointment of an Independent Director.

In terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 (the "Listing Obligation") the Board of Directors of the Company is required to lay down a Code of Conduct for all members of Board of Directors and shall suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013.

The purpose of this Code is to align the duties and responsibilities of Independent Directors of the Company with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, The Independent Directors should read and understand this Code, uphold these standards, comply with all applicable laws, rules and regulations and all policies, programmes and codes adopted by the Company.

2. DEFINITIONS

"Company" shall mean Parmeshwar Metal Limited, incorporated under the provisions of the Act.

"Board" shall mean the Board of Directors of the Company.

"Directors" shall mean all the members of the Board of Directors of the Company, including the Independent Directors.

"Independent Directors" shall mean the Director other than a managing director or a whole-time director or a nominee director as more specifically set out under Section 149(6) of the Act, and shall also have the meaning ascribed to the term "Independent Director" under Regulation 16(1)(b) of the Listing Regulations.

"Nomination and Remuneration Committee" shall mean the Nomination and Remuneration Committee constituted by the Board in accordance with the provisions of the Act and the Listing Regulation.

3. TERM OF APPOINTMENT AND REAPPOINTMENT

- a. Appointment process of the Independent Directors shall be independent of the Company's management; while selecting Independent Directors, the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively and in compliance with the relevant provisions of the Act and the Listing Regulation.
- b. The term of appointment of an Independent Director (ID) of the Company is for a period of not more than 5 years from the date of his/her appointment. Independent Director is not liable to retire by rotation.



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- c. The appointment of Independent Director(s) of the Company shall be approved at the meeting of the Shareholders.
- d. The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfills the conditions specified in the Act and the rules made there under and that the proposed Director is independent of the management.
- e. The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out:
 - The term of appointment;
 - The fiduciary duties that come with such an appointment along with accompanying liabilities;
 - Provision for Directors and Officers (D and O) insurance, if any;
 - The list of actions that a director should not do while functioning as such in the Company; and
 - The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- f. The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- g. An Independent Directors will serve for not more than two terms of five years each on the Board of the Company subject to the maximum tenure of ten years as prescribed under the Companies Act, 2013.
- h. Appointment for the second term as an Independent Director shall be based on the recommendation of the Nominations & Remuneration Committee of the Board and subject to approval of the Board of Directors (the 'Board') and of the Shareholders by way of special resolution. The re-appointment would be considered by the Board based on evaluation of the performance and further subject to satisfying the requisite criteria of Independence as specified in the Companies Act, 2013.
- i. The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
- j. The term Independent Director should be construed as defined under the Companies Act, 2013.

4. GUIDELINES OF PROFESSIONAL CONDUCT

An Independent Director shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising his duties;



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3. Exercise his responsibilities in a bonafide manner in the interest of the Company;
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making;
6. Not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. Refrain from any action that would lead to loss of his independence;
8. Where circumstances arise, which make an Independent Director lose his independence, the Independent Director must immediately inform the Board of Directors of the **Parmeshwar Metal Limited** (the "Company") accordingly;

Assist the Company in implementing the best Corporate Governance practices.

5. ROLE AND DUTIES

The roles and duties of the Independent Director will be those as prescribed under schedule IV and Section 166 the Companies Act, 2013 including Rules and Regulations made there under, Guidelines/Circulars issued by SEBI/Exchanges, as modified, amended or substituted from time to time and as may be applicable.

An Independent Director shall:

1. Help in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. Bring an objective view in the evaluation of the performance of Board and Management;
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Satisfy themselves on the integrity of financial information and that of financial controls and the systems of risk management are robust and defensible;
5. Safeguard the interests of all Stakeholders, particularly the minority Shareholders;
6. Balance the conflicting interest of the Stakeholders;
7. Determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary, recommend removal of Executive Directors, Key Managerial Personnel and Senior Management;



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8. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholder's interest.

DUTIES

An Independent Director 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 and of the Board Committees of which he/she 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 concerned 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. Act within their 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.



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6. CODE OF CONDUCT

As Independent Directors of the Company, they agree to comply with the Code of Conduct for Senior Management and Directors. Unless specifically authorised by the Company, they shall not disclose Company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. Their obligation of confidentiality shall survive cessation of their respective directorships with the Company. The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company. All Directors are required to sign a confirmation of acceptance of the Code of Conduct as adopted by the Board on annual basis.

7. TIME COMMITMENT

Considering the nature of the role of a Director, it is difficult for a Company to lay down specific parameters on time commitment. They will agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

8. DIRECTORS' FEES/ REMUNERATION

A sitting fee will be paid for attending each meeting of the board as well as the Committee Meeting attended, as may be decided by the Board from time to time in accordance with the limits prescribed under the Companies Act, 2013 and rules made thereunder.

In addition to the remuneration described above, the Company shall reimburse actual cost incurred for travel, hotel and other incidental expenses incurred by the directors for participation in the meeting of the Board and Committees thereof in the performance of their role and duties.

9. SEPARATE MEETINGS

- (i) The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and Members of Management;
- (ii) All the Independent Directors of the Company shall strive to be present at such meeting;
- (iii) The meeting shall:
 - (a) review the performance of Non-Independent Directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



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10. CONFLICT OF INTEREST

It is accepted and acknowledged that the appointed IDs may have business interests other than those of the Company. Considering the same, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.

In the event that circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgments that they are independent, this should be disclosed to Company Secretary.

11. CONFIDENTIALITY

All information acquired during the appointment is confidential to the Company and the Independent Director agree that both during and after the term of appointment, he will not use for his own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he may acquire by virtue of his position as an Independent Director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of his term), become available to the public generally.

12. RESIGNATION OR REMOVAL

Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board.

The resignation or removal of an Independent Director shall be in the same manner as is provided in Section 168 and 169 of the Companies Act, 2013 and in accordance with the provisions of the Articles of Association of the Company from time to time in force.

An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within three months from the date of such resignation or removal, as the case may be.

Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

13. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

The re-appointment of independent director shall be on the basis of report of performance evaluation.



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14. INDEMNITY

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

15. PUBLICATION OF LETTER

In line with the provisions of Schedule IV to the Act, the Company will post the terms and conditions of the appointment on the Company's website.

16. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

During the Term, they will agree to promptly notify the Company of any change in their Directorships, and provide such other disclosures and information as may be required under the applicable laws. They will also agree that upon becoming aware of any potential conflict of interest with their position as an Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary. During their term, they agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect their status as an Independent Director.

17. CHANGES OF PERSONAL DETAILS

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

18. INSIDER TRADING

- (i) In the normal course of business, Independent Directors of the Company are in possession of unpublished price sensitive information, which is the property of the Company. The Independent Director shall not profit from the buying or selling of securities for him/herself.
- (ii) The Independent Director is not to tip others to enable them to profit or for them to profit on his/her behalf.
- (iii) The purpose of this Code is
 - (a) to inform the Independent Directors of their legal responsibilities and
 - (b) to inform them that the misuse of sensitive information is contrary to Company policy and applicable Indian securities laws.
- (iv) As per the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the "Insider Trading Regulations"), it is prohibited to deal in the securities of the Company during the period that trading window of the Company is closed.
- (v) Further, no insider shall trade in the securities of the Company, when in possession of unpublished price sensitive information.



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You should read the Insider Trading Regulations carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/or disciplinary action for insider trading violations. Every Independent Director should comply with the Insider Trading Regulations.

19. WAIVERS AND AMENDMENTS OF THE CODE

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision/amendment in accordance with applicable law as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.

PARMESHWAR METAL LTD.


MANAGING DIRECTOR