



**CODE FOR INDEPENDENT
DIRECTORS
(AS PER SCHEDULE IV OF
COMPANIES ACT, 2013)**

INSPIRE FILMS LIMITED



CODE FOR INDEPENDENT DIRECTORS

(As per Schedule IV of the Companies Act, 2013)

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. 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;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) keep confidentiality of projects, concepts including various intellectual properties;
- (5) keep confidentiality of any matter legal or commercial in nature;
- (6) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (7) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (8) 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;
- (9) refrain from any action that would lead to loss of his independence;
- (10) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (11) assist the company in implementing the best corporate governance practices.

II. Role and functions

The independent directors shall:

- (1) help in bringing an independent judgment 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) scrutinise 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 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;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties

The independent directors shall –

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company its line of business;
- (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 their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, legal matters, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. CONFIDENTIALITY AND NON-DISCLOSURE

- (1) The Independent Director must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies (including wholly owned subsidiaries) with which he comes into contact by virtue of his position as an Independent Director of the Company.
- (2) Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorized to do so and when disclosure is required as a requirement of law.
- (3) The attention is drawn to the requirements under Indian regulations as to the disclosure of price sensitive information. The Independent Director shall not provide any information either formally or informally, to the press or any other publicity media without prior written clearance from the Chairman or Company Secretary.

The examples of confidential information are, but not limited to the following:

- Business Plans, Annual Operations Plan;
 - Performance against target;
 - Costing, Pricing, Profitability, Financial Budgets and related issues;
 - Fees / Stipend, Evaluations, Recommendations etc. related to any of the employees of the Company;
 - Sales Commission, Third Party Commission and about reference agents;
 - Details of past, present and future contracts and proposals;
 - Information about suppliers and/or customers;
 - Communication facilities and equipment;
 - Proposed ventures and corporate plans;
 - Information about any legal or commercial matters;
 - Technical marketing and financial strategies of the Company and/or its customers;
 - Core competencies and activities of the Company and/or its customers;
 - Details of any litigations either pending or completed in any court, Tribunal or such other authority whether in or outside India;
 - Any other information, which is likely to be crucial for the business operations.
- (4) On termination of the Appointment, the Independent Director will deliver to the Company all books, documents, papers, and other property of or relating to business of the company or any Group Company which are in their possession, custody or power by virtue of their position as an Independent Director of the Company. The Company will arrange the disposal of papers that he no longer requires.



- (5) If there is a breach or threatened breach of the provisions of Confidentiality, the Company shall be entitled to injunctive relief.

V. AMENDMENT

The Board of Directors of Inspire Films Limited may amend this code from time to time.

For Inspire Films Limited

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Yash A Patnaik
Chairman Managing Director
DIN: 01270640