

Date:.....

To,

.....

Sub: Appointment as Independent Director

Dear Sir/Madam,

We are pleased to inform you that pursuant to a resolution passed by members of the Company in the Annual General Meeting held on, you have been appointed as Independent Director of the Company with effect from

The appointment is based on your confirmation to Cello World Limited (the Company) that you meet the independence criteria envisaged under the Companies Act, 2013 and SEBI Listing Regulations, 2015.

The terms & conditions of your appointment are as under:

1. Appointment, Term and Termination

- i. You shall serve as an Independent Director of the Company in accordance with the provisions of the Articles of Association of the Company (as amended from time to time), the Companies Act, 2013 ("the Act"), Rules framed thereunder, the SEBI Listing Regulations, 2015, and any other agreements entered by the Company with the Stock Exchanges and other applicable laws, rules and regulations.
- ii. Your term of appointment shall be for ___consecutive years, that is upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year.....As an independent director, you are not liable to retire by rotation.
- iii. The Appointment is subject to termination in accordance with provisions of the Articles of Association of the Company, the Companies Act 2013, the rules framed thereunder and the Code of Conduct. Upon termination or your resignation for any reason, you will not be entitled to any damages for loss of Office.

- iv. Your relationship with the Company will be that of an office-holder and it is not a contract of employment with the Company.
- v. The Board of Directors may appoint you as Member/Chairman of one or more of its Committees. Upon your appointment to the Committee(s), the Company will provide you the terms of reference of the concerned Committee. The terms of reference of these Committees has already been shared with you.

2. Time Commitment

Considering nature of your role, you agree to devote such time as is prudent and necessary for the performance of your role, duties and responsibilities as an Independent Director. You shall endeavor to attend all board meetings, meetings of the Committees(s) of the Board of which you are a member or chairman and Annual General Meeting. The Company usually has four to five meetings of Board, in addition to need based meetings of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee each year, in addition to any emergent meetings. The meetings of the committees are held as per the business needs of the Company. You will be expected to devote appropriate preparation time ahead of each meeting.

3. Roles and Responsibilities

- i. You shall discharge all functions and duties as prescribed for an Independent Director under the Act, Rules framed thereunder, other laws and regulations, any other agreement entered by the Company with the Stock Exchanges and in particular the following:
 - a) You shall act in accordance with the Articles of Association of the Company.
 - b) You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, its employees, the shareholders, the community and for the protection of environment.
 - c) You shall not involve in a situation in which you may have a direct or indirect conflict of interest or which possibly may conflict with the interest of the company.
 - d) You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

- e) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and such conduct shall attract necessary action, as per law.
 - f) You shall not assign your office and any assignment so made shall be void.
 - g) You shall abide by the provisions of 'Code for Independent Directors' as outlined in Schedule IV of the Act (as may be amended from time to time), A current copy of the same is attached herewith as **Annexure-I** for your ready reference.
- ii) You will be responsible for providing guidance in the area of your expertise.

4. Independent Advice

You may seek independent professional advice with the approval of the Chairman of the Board of Directors, at the Company's expense, on any matter connected with the discharge of your responsibilities as an Independent Director.

5. Liabilities

As per Section 149(12) of the Act, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his/her knowledge attributable through Board processes, and with his / her consent or connivance or where he/she has not acted diligently.

6. Remuneration and Expenses

- i. You will be paid remuneration by way of sitting fees for attending the meetings of the Board and its Committees as may be approved by the Board and/or the members, as the case may be, from time to time. Further, you may also be paid remuneration by way of commission as may be approved by the Board and the members of the Company from time to time.
- ii. The sitting fee presently being paid by the Company to Independent Directors for attending the meetings of the Board and its committees is as under:

| | | |
|-------------------------------|---|------------------------|
| Board | : | Rs. 50,000 per meeting |
| Audit Committee | : | Rs. 25,000 per meeting |
| Other Committees of the Board | : | Rs. 25,000 per meeting |

- iii. In addition to the above, the Company shall pay or reimburse you such fair and reasonable expenditure, as may be incurred by you while performing your role as an Independent Director of the Company, in accordance with the Articles of Association of the Company and / or Board approvals in this behalf.

7. Director & Officers (D&O) Liability Insurance

The Company maintains a D&O liability insurance policy with sum assured of Rs. 35 Crore and it is intended to maintain such cover for full term of your appointment as an Independent Director of the Company.

8. Training of Independent Directors

The Company shall arrange suitable training in order to familiarize you with your role, responsibilities, nature of industries in which the Company operate, business model of the Company, etc.

9. Evaluation Process

As a member of the Board, your performance as well as the performance of the entire Board shall be evaluated annually as per the provisions of the Act, Rules framed thereunder other laws and regulations and SEBI Listing Regulations, 2015.

10. Disclosures

You shall make all statutory disclosures/confirmations, as required under the Companies Act, 2013, Rules thereunder, other applicable laws and regulations and any other agreement entered by the Company with the Stock Exchange to the Company and to various statutory and regulatory authorities. Please ensure that the Company is kept informed of any change to your disclosures of interests or change of address, contact numbers and personal details filed with the Company.

11. Code of Conduct

- i. During your tenure as a Independent Director of the Company, you are required to comply with the following codes of the company:
 - a) Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relative (attached herewith as **Annexure-II**); and

- b) Code of Conduct for Board Members and Senior Management Personnel (attached herewith as **Annexure-III**).
- ii. You shall timely submit various disclosures to the company as required under 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relative'.
- iii. You shall be required to affirm to the Board of Directors of the Company, compliance of the 'Code of Conduct for Board Members and Senior Management Personnel' on annual basis.

12. Publication / Filing of this Letter with Statutory Authorities

The Company will be entitled to disclose or file to the extent applicable, a copy of this letter and your particulars (including your detailed profile) to or with the statutory or regulatory authorities and stock exchanges, as may be required in pursuance of the laws, regulations and requirements of stock exchanges. Such disclosure may include hosting / uploading / display of your aforesaid information including this letter on the website of the Company as well as that of the stock exchanges where the securities of the Company are listed.

13. Confidentiality

In your role as an Independent Director, you will be in possession of confidential information about the Company and its affairs. You may only use that information in the proper performance of your duties or as required by law. You must not use it gain advantage for yourself or others, or to the detriment of the Company. On termination or expiry of your tenure, you shall return on the Company's request, all books, papers, documents and other property of or relating to the business of the Company, which are in your possession or custody. Your obligation of confidentiality shall survive termination or cessation of office of directorship of the Company. Unless specifically authorized by the Company or required under the law, you shall not disclose information about the Company or its business to the public or the Company's stakeholders.

14. Governing Law and Jurisdiction

This letter of appointment shall be governed by and construed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the Indian Courts.

We look forward to your association with us. Please sign the duplicate copy of this letter in token of receipt of the original and your acceptance of the contents thereof.

Thanking you,

For Cello World Limited

Mr. Pradeep G. Rathod
Chairman and Managing Director

Encl:

1. Annexure-I : Code for Independent Directors.
2. Annexure-II : Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relative
3. Annexure-III : Code of Conduct for Board Members and Senior Management Personnel

Agreed and accepted

I have read and understood the terms of my appointment as an Independent Director of the Company and hereby affirm my acceptance to the same.

Signature :

Name :

Place :

Date :

SCHEDULE IV
[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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) 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 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;
- (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 accordingly;
- (9) 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;

- (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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) ¹[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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company 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.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) 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 fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

1. Subs. by Notification No. S.O. 2113(E), dated 5th July 2017, for “ acting within his authority” .

- (d) provision for Directors and Officers (D and O) insurance, if any;
- (e) the Code of Business Ethics that the company expects its directors and employees to follow;
- (f) the list of actions that a director should not do while functioning as such in the company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

- (5) 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.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

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

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within ²[three months] from the date of such resignation or removal, as the case may be.
- (3) 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.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting ³[in a financial year], without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) 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.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

⁴[**Note:** The Provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VI and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraph are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies.]

1. Subs. by Notification No. S.O. 2113(E), dated 5th July 2017, for "a period of not more than one hundred and eight days" (w.e.f. 5-7-2017).

2. Subs. by *ibid.*, for "in a year" (w.e.f. 5-7-2017).

3. Ins. by *ibid.* (w.e.f. 5-7-2017).



Cello World Limited

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Admin Office : Cello House, Corporate Avenue, 'B' Wing, 8th Floor, Sonawala Road, Goregaon (East), Mumbai-400 063, (INDIA),

Tel : 2685 1027 / 2685 3080, **Fax :** (022) 2685 3333, **e-mail :** cello.sales@celloworld.com, cellothermoware@hotmail.com

Website: <https://celloworld.com> **CIN:** U25209DD2018PLC009865

Regd. Office: 597/2A, Somnath Road, Dabhel, Nani Daman, Daman & Diu - 396 210. (INDIA)

Cello World Limited

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Under Regulation 8 and 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015



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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Introduction

Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 requires the Company to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code").

2. Scope

Cello World Limited endeavors to preserve the confidentiality of unpublished price sensitive information (UPSI) and to prevent its misuse. To achieve these objectives and in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted this fair disclosure code. This code ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders. Our Company is committed to timely and accurate disclosures based on applicable legal and regulatory requirements.

3. Definitions

- a) **"Unpublished Price Sensitive Information"** (UPSI) means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
 - (i) financial results, dividends;
 - (ii) change in capital structure;
 - (iii) mergers, de-mergers, acquisitions, delisting, disposals, expansion of business;
 - (iv) Changes in key managerial personnel and such other transactions;
 - (v) It is clarified that UPSI is not restricted to information regarding the events mentioned above and may include direct or indirect information relating to the Company or its securities.
- b) **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis. Information relating to the Company published on the website of stock exchanges or the Company's website shall ordinarily be considered as generally available information.



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- c) **"Compliance Officer"** means any senior officer designated by Board of Directors for ensuring compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015. Unless the Board designates any personnel as compliance officer, the chief financial officer shall be deemed to be the Compliance Officer.

4. Fair disclosure of Unpublished Price Sensitive Information

- a) The Company shall promptly disclose to public, UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) The Company shall follow uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- c) The Chief Financial Officer of the Company has been designated as the Chief Investor Relations Officer of the Company to deal with dissemination of information and disclosure of UPSI.
- d) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e) The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- f) The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- g) Meetings / calls with analysts or investor relations conferences shall be transcribed or recorded on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- h) The UPSI can be shared as an exception by an insider for legitimate purposes, in the ordinary course of business of the Company. Policy for determination of Legitimate Purposes for which UPSI can be shared, has been formulated and mentioned below.
- i) The Board of Directors of the Company, in sync with applicable laws, rules and regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new code. Any amendment to the Code, upon approval of the Board of the Company shall be intimated to the Stock Exchanges and shall also be updated on the Company's website.

- 5. The UPSI can be shared as an exception by an insider for legitimate purposes, in the ordinary course of business of the Company. Policy for determination of Legitimate Purposes for which UPSI can be shared, has been formulated and attached with this Code and marked as "Annexure – A".



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6. The Board of Directors of the Company, in accordance with applicable laws, rules and regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new code. Any amendment to the Code, upon approval of the Board of the Company shall be intimated to the Stock Exchanges and shall also be updated on the Company's website.



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Annexure A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

1. PREFACE

This Policy, which is part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, is known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy". This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. PURPOSE

The policy is formulated with an objective to identify 'Legitimate Purposes' for which an insider is entitled to communicate, provide, or allow access to any unpublished price sensitive information (UPSI), relating to the Company, its listed securities or securities which are proposed to be listed, to any person including other insiders, in the ordinary course of business.

3. DEFINITIONS

- a) **"Insider"** means any person in receipt of UPSI pursuant to a "legitimate purpose" and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- b) **"Legitimate Purposes"** shall mean sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, any other person with whom UPSI is shared provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

4. SHARING OF UPSI FOR LEGITIMATE PURPOSE

- a) The UPSI shall be shared by any person(s) authorized by the Board of Directors or Chief Investor Relations Officer (CIO) of the Company, in this behalf, only in furtherance of legitimate purpose(s) which shall include the following:
 - (i) Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any



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Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.

- (ii) Sharing of UPSI where such communication is in furtherance of performance of duty (ies).
 - (iii) Sharing of UPSI for discharge of legal obligation(s).
 - (iv) Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CIO of the Company.
 - (v) Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.
- b) Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons;
- (i) To make aware such person that the information shared is or would be UPSI.
 - (ii) To make aware to such person the duties and responsibilities attached to the receipt of such UPSI, and the liability attached to misuse of UPSI.
 - (iii) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

5. DIGITAL DATABASE

- a) The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.
- b) The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

6. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.



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7. LEAKAGE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

If it is found/suspected that the unpublished price sensitive information has been leaked by any insider, the Company shall set up an investigation in the matter. The Compliance Officer shall promptly bring it to the notice of Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors of the Company about the leakage of unpublished price sensitive information.

The Company may seek assistance of external consultant/investigator to enquire into the matter. Upon the outcome of the enquiry, the Company may take appropriate action as directed by the Audit Committee/Board of Directors. Simultaneously, the Compliance Officer shall inform the Board of Directors promptly of such leaks, inquiries and results of such inquiries.

8. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new policy. In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

9. EFFECTIVE DATE

This code shall be effective from July 28, 2023.



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Cello World Limited

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

Section 134(3) read with Section 177(4) of the Companies Act, 2013 (the "Act") read with Regulation 21 and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")



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CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

1. INTRODUCTION

Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), stipulates that every listed company shall lay down a code of conduct for all members of the Board and Senior Management personnel of the Company, which shall be posted on the website of the Company.

Accordingly, this code of conduct has been formulated for laying down the principles and standards that should govern the actions of the Cello World Limited ("**Company**"), its associates, directors and employees and requires them to observe highest standards of business and personal ethics in the conduct of their affairs, duties and responsibilities ("**Code of Conduct**"). This Code of Conduct shall also be applicable to all members of the board of directors of the Company and the personnel of the Company who are members of its core management team comprising of all members of management one level below the chief executive officer / managing director / whole time director / manager and shall specifically include company secretary and chief financial officer of the Company and is in alignment with the Company's vision and values and aims at enhancing ethical and transparent processes in managing the affairs of the Company. The Board and Senior Management are expected to familiarize themselves with this Code of Conduct, and understand, adhere to, comply with and uphold the provisions of this Code of Conduct in their day-to-day functioning.

2. DEFINITIONS

For the purpose of this Policy the following terms shall have the meanings assigned to them hereunder:

- (a) "**Board**" means the board of directors of the Company;
- (b) "**Committee**" means the nomination and remuneration committee of the Board;
- (c) "**Company**" means Cello World Limited.
- (d) "**Companies Act**" means the Companies Act, 2013, read with the rules thereunder, as amended;
- (e) "**Director**" means a director appointed by the Company on the Board; and
- (f) "**Key Managerial Personnel**" means person as defined in section 2(51) of the Companies Act, 2013, as amended from time to time.
- (g) "**policy for appointment and removal of director, key managerial personnel and senior management**" means this policy, as amended from time to time;
- (h) "**Senior Management**" means officers/personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads and shall specifically include company secretary and chief financial officer.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder.



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3. APPLICABILITY

All Directors/Senior Management personnel are expected to comply with the code in its letter and spirit. They are also required to affirm compliance on an annual basis. The annual report of the Company shall contain a declaration to this effect signed by the Managing Director & Chief Executive Officer of the Company.

The Company appoints the company secretary as a compliance officer for the purposes of this code, who will be available to Directors/Senior Management personnel to answer questions and to help them comply with the code.

With a view to maintain high standards that the Company requires, the following rules/code of conduct should be observed in all activities in respect of the Company.

4. ACCOUNTABILITY

The Directors/Senior Management personnel shall discharge their duties in good faith and integrity in business judgment and in the best interests of the Company and its stakeholders. They are expected to use their best endeavors and organize the resources for advancing the Company's mission. They are expected to act ethically, honestly, diligently and in good faith to protect the Company's brand equity and image. They shall act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated. They shall act in the best interests of the Company and fulfill their fiduciary obligations.

5. CONFLICT OF INTEREST

Directors/Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. Conflicts can arise in many situations. It may not be possible to list out every possible conflict at all times and it will not be easy to distinguish between proper and improper activity. Nevertheless, some of the common circumstances that may lead to a conflict of interest, actual or potential set forth below:

- a) They should not engage in any activity/employment that interferes with the performance or responsibility to the Company or otherwise in conflict with or prejudicial to the Company.
- b) They and their immediate families should not solely for the sake of making profit invest in a Company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the Company.
- c) They should generally avoid conducting company business with a relative or with a firm/company in which a relative/related party is associated in any significant role.

If such related party transaction is unavoidable, it must be fully disclosed to the Board/ Company Secretary & Compliance officer for approval.

6. COMPLIANCE

All senior Managers shall ensure compliance of all applicable laws, rules and regulations in its letter and spirit.



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It is the responsibility of all functional heads to submit compliance of all applicable laws, rules and regulations to company secretary on monthly basis. In order to assist the Company in promoting lawful and ethical behavior, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.

7. OTHER DIRECTORSHIPS

The Directors must disclose their Directorship, Committee membership on the Board of other companies and substantial shareholding in other companies to the Board on an annual basis. It is felt that service on the Board of a direct competitor is not in the interest of the company.

8. CONFIDENTIALITY OF INFORMATION

Any information concerning the company's business, its customers, suppliers, etc., which is not in the public domain and to which the Directors/Senior Management personnel have access or possesses such information, must be considered confidential and held in confidence, unless such disclosure is required under any law. No Director/ Senior Management personnel shall provide any confidential information either formally or informally, to the press or any other publicity media, unless specially authorized by the Board.

Examples of confidential information include but are not restricted to:

- a) Information not yet released to the public;
- b) Unpublished company strategy/ price sensitive information;
- c) Current or future technical collaborations, breakthroughs and/or inventions;
- d) Investments, planned mergers or acquisitions;
- e) Information received from customers or partners;
- f) Unpublished financial data either actual or forecasted;
- g) Employee information;
- h) Such other information as Board may declare as confidential information.

9. INSIDER TRADING

A Director /Senior Management personnel shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constituting insider information. All Directors/Senior Management personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and Insider Trading Policy of the Company.

10. EQUITY & AND FAIR JUSTICE

The Directors and senior managers shall maintain equity and fair justice while dealing on behalf of the Company and provide a work environment free from unlawful discrimination, harassment and intimidations of any nature to all employees of the Company. Any kind of harassment and discrimination based on gender, religion, age, sex, national origin and other such characteristics shall be strictly prohibited.



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11. CUSTOMER FOCUS

The Directors/Senior Management personnel shall focus on customer satisfaction, which shall be the basic motto of the Company's business. They shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading innature.

12. TEAMWORK AND SPIRIT

The principles of mutual trust, teamwork and spirit shall be appreciated and maintained. Best efforts shall be made to contribute to an environment that builds confidence and empowers people through personal and professional growth. They shall attempt that the teams grow together through collaborative working, skills development, knowledge sharing and learning from each other. Employees being invaluable assets shall be motivated to achieve higher goals.

13. CORPORATE OPPORTUNITY

Except as approved by the Board, the Directors/Senior Management personnel are prohibited from:

- a) taking any personal opportunities directly or indirectly that belong to the Company;
- b) using the Company's property, information or position for personal gain/ advantage or to cause detriment to the Company; and
- c) competing with the Company.

14. GIFT & DONATIONS

No Director/Senior Management personnel of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended to obtain business favors/ personal gains.

15. SAFEGUARDING COMPANY'S ASSETS

The use of Company's Assets for illegal or non-ethical business purposes shall be strictly prohibited. Protecting the Company's assets regardless of whether the same is tangible or intangible is the responsibility of each Director/Senior Management person.

16. FINANCIAL RECORD KEEPING & REPORTING

Company is required to comply with strict accounting principles and regulations. It is critical to ensure that all transactions are properly identified, analyzed and recorded regardless of whether a Director/Senior Management personnel involved directly/ indirectly in any financial/ accounting transactions. All reasonable efforts are expected to ensure that all business records and reports are accurate, complete and reliable.

17. DUTIES OF INDEPENDENT DIRECTORS

The independent directors shall exercise the following duties as given in Schedule IV of the Companies Act,



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2013:

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
 - b) 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;
 - c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
 - d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
 - e) strive to attend the general meetings of the company;
 - f) 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;
 - g) keep themselves well informed about the company and the external environment in which it operates;
 - h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
-
- (i) 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;
 - (ii) 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;
 - (iii) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
 - (iv) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
 - (v) 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.

18. AUTHORIZATIONS

Every Director/ Senior Management/ Functional Heads shall have proper authorisation/ delegation of power from Board / any officer authorised by the Board to sign any document, paper, deed, contract on behalf of the Company or which requires authentication by the company, unless otherwise permitted by any law for the time being force. Every such requirement will be duly forwarded to Company Secretary & Compliance officer at least fourteen days before the due date of signing such document. It is the responsibility of all Senior Management/ functional heads to ensure compliance of this provision in its letter and spirit.



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19. COMPLIANCE WITH RULES AND REGULATIONS AND POLICIES ISSUED BY THE COMPANY

The Directors, Key Managerial Personnel and Senior Management of the Company shall comply with all rules, regulations and policies issued by the Company.

20. COMPLIANCE WITH THIS CODE

Once in every year, every Director and Senior Management personnel must acknowledge a confirmation that he/she has complied with the Code.

21. APPLICABILITY

This code will be applicable to Company and all its material subsidiaries.

22. AMENDMENT

This code may be amended, modified or varied by the Board as may be deemed necessary in the interests of the Company and subject to the provisions of applicable laws, regulations or guidelines.

23. EFFECTIVE DATE

This code shall be effective from July 28, 2023.