

**CODE OF CONDUCT FOR BOARD**

**MEMBERS AND SENIOR**

**MANAGEMENT GROUP**

**OF**

**KIRTI INVESTMENTS LIMITED**

Kirti Investments Limited ('the Company') is committed to the highest standards of corporate governance in all its activities and processes. It regards corporate governance as the cornerstone for sustained growth and performance of the Company for serving all the stakeholders.

The Company has adopted this policy at its meeting held on Tuesday, 31<sup>st</sup> January, 2017.

At the heart of the Company's corporate governance policy is the ideology of transparency in the effective working of the Management and Board.

This Code has been framed and adopted by the Company in accordance/ compliance with the provisions of Clause 49 of the Listing Agreement.

#### Authority and Applicability:

The Board of Directors (the "Board") of the Company has adopted the Code divided into three parts as Part A - applicable for Non Executive Directors of the Company, Part B - applicable for Executive Directors including Senior Management Group comprising of Vice President and upwards (hereinafter as the "Senior Management Personnel") and Part C - applicable for both Non-Executive and Senior Management Personnel. The Board of Directors reserves its right to alter / amend / modify / enlarge the scope, extent and applicability of this Code to the employees of the Company.

#### Objectivity:

The main object of the Code is to set a benchmark for the Company's commitment to values and ethical business conduct and practices. Its purpose is to conduct the business of the Company in accordance with its value systems, fair and ethical practices, applicable laws, rules & regulations.

Further, the Code provides for the highest standard of professional integrity while discharging the duties and to promote and demonstrate professionalism in the Company.

The Company is committed towards ethical and lawful business conduct and acknowledges it as critical to its success. The Company undertakes to uphold the ethical practices and legal standards while pursuing its objectives and shall forbear from undertaking those activities which may have an adverse impact on the economic development of the nation.

Consistent with these principles, the Code has been adopted both in letter and spirit by and for all the Non-Executive Directors, Independent Directors and Senior Management Personnel of the Company. While it is not possible to anticipate every situation or circumstance that may arise, the Code is intended to serve as a broad guideline.

#### Part A - Code of Conduct for Non-Executive Directors

A Non-Executive Director (NED) is a member of the Board of Directors of the Company who does not form part of the executive management team. He is not involved in the day-to-day running of business but monitors the executive activity and contributes to the development of strategy. It is clarified that an Independent Director of the Company as such is a Non-Executive Director of the Company, and accordingly, this Code also applies to Independent Directors of the Company.

Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities, and be committed to maintaining high standards of integrity in every sphere of activity.

Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position and shall promptly report to the Company any violations of law or ethical principles which come to their knowledge during their dealings with the Company.

Non-Executive Directors shall not offer or accept gifts, hospitality or other inducements which may influence the decision. However, receiving gifts during the traditional festive seasons or during certain corporate events should be restricted to promotional or advertising material.

Conduct, Role, Functions and Duties of Independent Directors as per the Companies Act, 2013:

An Independent Director shall adhere to his/ her professional conduct, role, functions and duties as specified under the Companies Act, 2013 and the Rules thereunder and Clause 49 of the Listing Agreement, in particular, 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 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.

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.

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; recommend removal of executive directors, key managerial personnel and senior management;
5. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Duties of Independent Directors:

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,

## Part B - Code of Conduct for Senior Management Personnel

### Non-Compliance:

While performing their respective functions, all the Senior Management Personnel shall always ensure non-violation of the Code herein and to

- act with integrity, probity, honesty, transparency and with utmost good faith;
- assist in achieving the Company's Objectives by adopting fair and ethical practices and
- Create an organization that is responsive, positive, driven by business and social needs.

All Senior Management Personnel who violate / deviate from the requirements of the Code herein shall attract prosecution including but not limited to disciplinary action, which may also include termination of office / employment.

### Compliance with Laws, Rules and Regulations:

All Senior Management Personnel shall understand that the compliance with the laws of the land, ethical practices, fair conduct and integrity are the essence of the Code and they shall comply with all the applicable laws of the land, in which the Company operates, apply ethical practices, conduct themselves in a fair manner and ensure their integrity towards the Company. Any violation of any provision of laws, rules or regulations may render such Employee liable for criminal and / or civil liability, in addition to disciplinary action by the Company.

### Conflict of Interests:

a. When any Senior Management Personnel have a personal interest of whatsoever nature, in any transaction of the Company, in whatsoever manner, then "Conflict of Interest" arises. As a general rule, all Senior Management Personnel shall avoid actual and / or apparent Conflict of Interest and shall always uphold the interests of the Company as a professional in letter and spirit.

b. Also, a situation of Conflict of Interest arises when a Senior Management Personnel has interest in any transaction of the Company that may render / make it difficult for such Employee to perform / discharge his or her duties to the Company objectively and / or effectively.

c. It is deemed to be a Conflict of Interest and / or compromising the integrity of a Senior Management Personnel, if they work simultaneously for a competitor, customer, and supplier or a third party in violation of the terms of their appointment. No Senior Management Personnel is entitled to work for a competitor, customer, supplier or a third party involved in similar or identical business that is being carried on by the Company in any capacity viz., as a consultant or as board member, etc unless approved by the Board. Conflict of Interest is strictly prohibited as a matter of Company's policy, except under certain circumstances with the prior written approval of the Board and subject to limitations imposed under law. Conflicts of Interest may not always be clear-cut or specific. As it is not possible to describe all situations of Conflict of Interests that may arise, a Senior Management Personnel who is not clear, should seek guidance of his / her immediate superior and / or the Chairman of the Audit Committee.

d. The purpose of business entertainment and gifts in a commercial setup is to create goodwill and sound working relationships, not to gain any unfair advantage with customers or suppliers or third parties. No costly / unusual gift or entertainment should be offered, given, provided or accepted by any Senior Management Personnel or his / her relatives.

e. Senior Management Personnel shall not use the Company's assets, labour or information for personal use unless approved by the Chairman of the Audit Committee or as part of a compensation or expense reimbursement program available to all Senior Management Personnel

f. A disclosure of interest under Section 299 of the Companies Act, 1956 shall be treated as sufficient compliance under this clause regarding situations of potential Conflict of Interest.

#### Financial Reporting and Records

The Senior Management Personnel shall ensure that the Company prepares its accounts in accordance with the accounting standards which generally represent accepted guidelines, principles, standards, laws and regulations of the country where Company conducts its business. Internal Accounting and Audit Process of the Company shall be fair and accurate. Internal Accounting shall provide assurance to Board and Shareholders that all the transactions are true and correct and does not contain any misleading information.

## Shareholders

All Senior Management Personnel shall ensure protection of shareholders' interest by complying with all the applicable laws, rules and regulations and shall also ensure maintenance of accurate and complete records without any misleading, false or artificial entries in the Books of Accounts.

## Integrity of Information Furnished

Every employee of Company shall ensure, at all times, the integrity of data or information furnished by him/her to the Company. He/She shall be entirely responsible for ensuring that confidentiality of all data is retained and shall not be transferred to any outside person / party in any circumstance during normal course of operations without prior approval of management.

## Competition and Fair Dealing:

The Company strives to outperform its competition by adopting fair and ethical practices. Each Senior Management Personnel shall deal diligently and fairly with the Company's customers, suppliers, competitors and employees and should not take any unfair or undue advantage of anyone through any intentional or unfair dealings, unethical practices. Pilfering proprietary information, possessing trade secrets and confidential information obtained without the owner's consent, or inducing such disclosures by / through past or present employees of competitor is prohibited.

## Discrimination and Harassment:

The Company is firmly committed to providing equal opportunity to all in all aspects of employment without any discrimination and harassment of any type.

## Health and Safety:

The Company strives to provide each employee with a safe and healthy work environment. Every Senior Management Personnel has a responsibility towards maintaining a safe and healthy workplace by following all safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Being under the influence of illegal drugs and/or alcohol on the job is absolutely prohibited.



Part C – Code of Conduct for both Non-Executive and Senior Management Personnel.

Confidentiality:

All Non- Executive Directors and Senior Management Personnel shall maintain confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to their knowledge, from whatever source, in their capacity, except when disclosure is duly authorized by the Chief Executive Officer or Chief Financial Officer or the Audit Committee or the Board of Directors or is required by laws or regulations. Confidentiality extends to information that suppliers and customers have entrusted to the Company. Use of confidential information for personal gain is strictly prohibited.

Maintaining confidentiality of information extends to the third parties and their employees in their interaction with, and on behalf of the Company.

Insider Trading:

In order to assist in compliance with the applicable laws / regulations against insider trading, the Company has adopted the “Code of Conduct for Prevention of Insider Trading” governing trading in securities of the Company and Group Companies by each Non-Executive Director and Senior Management Personnel. Hence, strict adherence of the Company's Code of Conduct for Prevention of Insider Trading” shall be mandatory and form part of this Code.

#### Protection and Proper Use of Company Assets and Proprietary Information:

All Non-Executive Directors and Senior Management Personnel must endeavour to protect the Company's assets and ensure their efficient use. Any suspected incident of fraud or theft should be immediately reported to the Head of Human Resource Department and in appropriate cases, the Chairman of the Audit Committee for investigation. Company assets should not be used for personal use or for personal gain, though incidental personal use may be permitted when properly authorized.

The obligation of Non-Executive Directors /Senior Management Personnel to protect the Company's assets includes protecting its 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 data. Unauthorized use or distribution of such information shall not only be a violation of this Code and the terms of employment with the Company, but could also be illegal and result in civil and/or criminal prosecution.

#### Reporting any Illegal or Unethical Behaviour:

If any Non-Executive Director /Senior Management Personnel believes that a violation of or significant deviation from the Code has occurred or has become unavoidable, he/she must inform in writing to the head of the Human Resources Department and in appropriate cases, the Chairman of the Audit Committee. Use of the above reporting procedures in bad faith or in a false or frivolous manner shall be treated as gross violation of the Code.

#### Waiver of the Codes:

Any waiver of the applicability of the Code or waiver of application of any provision of the Code to any Non-Executive Director / Senior Management Personnel shall be approved by the Board of Directors and disclosed as required by law or SEBI Regulations.

#### Compliance Procedures:

Each Board Member and Senior Management Personnel shall affirm/ report on or before 15th April of each year, compliance of the Code in the prescribed form as per the Annexure to the Code

ANNEXURE

Date:.....

To,  
The Board of Directors  
Kirti Investments Limited  
A-202, Building No. 3,  
Rahul Mittal Industrial Estate,  
Sir M.V. Road, Andheri (East)  
Mumbai - 400 059. India.

Dear Sirs,

I, \_\_\_\_\_, S/o \_\_\_\_\_, a Non-Executive Director / Senior Management Personnel under the Code of Business Conduct and Ethics of the Company adopted by the Board of Directors at its meeting held on January 31, 2017, hereby affirm compliance with the Code of Business Conduct and Ethics as per Clause 49(II)(E) of the Listing Agreement with Stock Exchange for the financial year \_\_\_\_\_.

(In case any provision of the Code has not been complied with, please state exact provision and circumstances for non compliance in detail together with details of waiver granted by the Board, if any).

Thanking You,

Yours truly,

Name & Signature