

KOTHARI INDUSTRIAL CORPORATION LIMITED



**CODE OF CONDUCT
FOR DIRECTORS
AND
SENIOR MANAGEMENT PERSONNEL**

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CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1. PREAMBLE

1.1 This Code of Conduct (the **Code**) for all members of the Board and Senior Management Personnel of Kothari Industrial Corporation Limited (the **Company**) 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.

1.2 The Code has been drafted specifically in accordance with the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

Board or Board of Directors means the Board of Directors of the Company;

Director means each member of the Board of Directors;

Relative shall have the meaning given to it in the Companies Act, 1956, as amended;

Senior Management Personnel means

- (a) Executive Director of the Company
- (b) all Senior General Managers and General Managers of the Company;
- (c) any other employee of the Company designated by the Board of Directors from time to time;

2.2 Interpretation

(a) Terms used but not defined herein shall have the meaning assigned to them in the Companies Act, 1956 and in the Listing Agreements.

(b) This code can be modified, amended or altered only by Board of Directors of the Company.

3. Applicability This Code shall be applicable to all the Directors and the Senior Management Personnel.

4. Objectives

Kothari Industrial Corporation Limited ("the Company") is conscious that a business run on principles of fairness, transparency and accountability aids in fostering a healthy relationship with all stakeholders. The Company considers ethical conduct of business as one of the important factors which will contribute to fulfilment of the Company's corporate objectives.

This Code of Conduct will be applicable to all the Directors and Senior Management Personnel of the Company.

The Company's Code of Conduct envisages that every Member of the Board of Directors, individually and, the Board of Directors, collectively, will, at all times, pursue and uphold ethical standards and values as vigorously as their pursuit of the Company's business objectives. In line with these principles, the Board of Directors of the Company has adopted this Code as a guide to the high ethical standards and values expected from its Members.

The Company's Code of Conduct envisages that every constituent of the Senior Management individually and collectively, will, at all times, pursue and uphold ethical standards professional integrity and values while working in office and also in other places while representing the Company in discharge of their duties.

This Code of Conduct will be applicable to the CEO/COO [Managing Director(s)], Independent Directors, Executive Director, CFO [Finance Director(s)], Strategic Business Units and Head(s) of Business interests and Process.

Any change in this code will be made only with the approval of the Board of Directors of the Company.

5. The Code

- a) take necessary efforts to prepare for, attend and actively participate in meetings of the Board of Directors and of the Board Committees of the Company, on which they serve;
- b) discharge their duties, in the best interests of the Company and all its stakeholders;
- c) act with the utmost care, skill, diligence and integrity;
- d) act with the utmost good faith and fulfill his fiduciary obligations without allowing his independence of judgment to be compromised;
- e) inform the Board of Directors of any change in their employment and other Board positions; of conditions that may interfere with their ability to perform their duties or whether they meet the requirements applicable to their service on the Company's Board of Directors and Board Committees as per the Companies Act, 1956 and the Listing Agreement entered into by the Company with the National Stock Exchange of India, Bombay Stock Exchange Ltd.
- f) not to pursue for their own account, or for the account of any other person, any business opportunity that conflicts with the Company's business interest, strategies, plans or objectives;
- g) maintain confidentiality about the Company and its business affairs in respect of all non-public information;
- h) abide by all applicable laws and regulations;

- i) devote their full attention to the business interests of the Company and not engage in any activity that interferes with their performance or responsibilities of the Company, or is otherwise in conflict with or prejudicial to the Company;
- j) act with honesty and integrity, without compromising on ethics, actual or apparent conflicts of interest between their personal interests and their responsibility to the Company;
- k) make total, fair, correct and timely disclosure in all reports and documents that the Company files with or submits to its stakeholders, government authorities, stock exchanges, statutory authorities or otherwise makes public;
- l) act on good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing their independent judgment to be subordinated in any manner whatsoever;
- m) respect the confidentiality of information acquired during the course of their work/discharge of their duties except when authorised or otherwise legally obligated to disclose and not use such confidential information to their personal advantage and ends;
- n) under no circumstances accept any gift, or anything of value from customers, suppliers, contractors, competitors, or other persons dealing with the Company, that is perceived as intended, directly or indirectly, to influence any business decision. However, gifts as a token on celebratory occasions and entertainment, provided they are not excessive, would not violate this policy. Gifts given on behalf of the Company to customers, suppliers, contractors, should be appropriate to the occasion, and should not be of a kind that could create an appearance of impropriety;
- o) not to exploit the opportunities that are discovered through the use of corporate property, information or position for personal gain without referring to the Company;
- p) update knowledge of the legal requirements relating to their functions and ensure compliance; and
- q) educate other colleagues of the importance of adherence to this Code.
- r) Related Party Disclosures: Each Director and each member of the Senior Management Personnel shall make a complete disclosure of all related party transactions to the Chairman and Managing Director of the Company in accordance with Accounting Standard 18 (AS-18) issued by the Institute of Chartered Accountants of India (ICAI) and in format set out in Appendix I hereto.
- s) Protection of Assets: The Directors and Senior Management Personnel shall protect the Company's assets including physical assets, information and intellectual rights and shall

not use the same for personal gain.

6. Compliance with Law: Each member of the Senior Management Personnel shall comply with all laws, rules and regulations relating to the business of the Company.

7. Confidentiality of Information Any information concerning the Company's business to which a member of Senior Management Personnel has access or which is in his possession, must be considered confidential and held in confidence. No member of Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized by the Company.

Provided that a member of Senior Management Personnel can disclose such information which is:

- (a) part of the public domain at the time of disclosure;
- (b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Government of India or any other Governmental Authority.

8. Amendments To The Code The provisions of this Code can be amended or modified by the Board of Directors of the Company from time to time and all such amendments or modifications shall take effect from the date stated therein.

9. Placement Of The Code On Website Pursuant to Clause 49 of the Listing Agreement, this Code and any amendment thereto shall be hosted on the website of the Company.

10. Annual Compliance Reporting 12.1 In accordance with Clause 49 of the Listing Agreement, all Directors and Senior Management Personnel shall affirm compliance with this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman and Managing Director of the Company.