

Keerthi Industries Limited

Code of Conduct for Board Members and Senior Management Personnel

1. INTRODUCTION

This Code of Ethic (“Code”) shall be called “The Code of Conduct for Board Members and Senior Management Personnel” of Keerthi Industries Limited (“the Company”).

This ‘Code’ has been framed specifically in compliance with the provisions of Regulation 17 (5) (a) of the Listing regulation (erstwhile Clause 49 of the Listing Agreement) with Stock Exchanges.

This ‘Code’ shall come into force with effect from 1.12.2015.

2. PURPOSE

The Company’s reputation depends on the conduct of its Board Members and Senior Management Personnel.

The purpose of this Code apart from meeting the requirements of Listing Regulation with the Stock Exchanges is to:

- a) articulate the high standards of honesty, integrity, ethical and law abiding behavior expected of Board Members and Senior Management Personnel;
- b) encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers, creditors and society at large);
- c) guide Board Members and Senior Management Personnel as to the practices thought necessary to maintain confidence in the Company’s integrity; and
- d) set out the responsibility and accountability of Board Members and Senior Management Personnel to report and investigate any reported violations of this Code or unethical or unlawful behavior.

3. DEFINITIONS

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them as under:

“Board Members” shall mean the members on the Board of Directors of the Company.

“Whole-time Director” shall mean the Board members who are in Whole-time employment of the

Company including the Chairperson and Managing Director.

“Part-time Director” shall mean the Board members who are not Whole-time Directors and include Part-time (Official) Directors and Part-time (Non-Official)/ Independent Directors of the Company.

“Relative” shall mean a ‘relative’ as defined under Section 2(77) of the Companies Act, 2013.

“Senior Management Personnel” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would normally comprise all members of management one level below the Functional/Executive Directors, including all functional heads.

“Duties of Directors / Independent Directors” shall mean and include duties as laid down in the Companies Act, 2013 and enumerated in [Annexure I](#).

The term **“the Company”** shall mean Keerthi Industries Limited.

4. APPLICABILITY

This ‘Code’ shall be applicable to the following:

- i) Whole-time Directors
- ii) Part-time Directors
- iii) Senior Management Personnel

5. KEY REQUIREMENTS

The Board Members and Senior Management Personnel shall function within the authority conferred upon them by the Company, keeping the best interest of the Company in view and they

- i) shall act with utmost care, skill, diligence and integrity;
- ii) shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised;
- iii) shall observe the highest standards of honesty, integrity and law abiding behavior;
- iv) shall not be involved in taking any decision on a subject matter in which conflict of personal interest arises or which in their opinion is likely to arise;
- v) shall avoid any dealing with a contractor, supplier or service provider that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made on behalf of the Company;
- vi) shall not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors and the Board declines to pursue such opportunity;
- vii) shall provide full, accurate and timely disclosure of required information in documents / reports filed and submitted to any authority and in other public communication;
- viii) shall report promptly any unlawful and unethical behavior, any actual or suspected fraud / theft of Company’s assets;

6. COMPLIANCES

The Board Members and Senior Management Personnel shall comply with all applicable laws, rules and regulations.

7. CONFIDENTIALITY OF INFORMATION

Any information concerning the Company's business, its customers, suppliers, etc, and to which the Board Members and Senior Management Personnel have access or possesses such information, must be considered confidential and held in confidence. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other public media, except as required in the performance of the duties. However, Board Members and Senior Management Personnel shall be free to disclose such information which is -

- i) Part of the public domain at the time of disclosure.
- ii) Authorized or required to be disclosed pursuant to a decision of the Board.
- iii) Required to be disclosed in accordance with applicable laws, rules, regulations or guidelines.

8. PROTECTION OF ASSETS

The Board Members 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.

9. PREVENTION OF INSIDER TRADING

The Board Members and Senior Management Personnel shall comply with the Code of practices and procedures for fair disclosure of unpublished price sensitive information as envisaged under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

10. FAIR DEALING

The Company expects Board Members and Senior Management Personnel to:

- i) deal fairly with employees, investors, customers, suppliers, competitors, auditors, lawyers, creditors or other advisers of the Company; and
- ii) encourage other employees and officers to do the same.

Board Members and Senior Management Personnel must not take unfair advantage of any employee, customer, supplier, competitor, auditor, lawyer or other adviser of the Company, creditor through illegal conduct, manipulation, undue influence, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair- dealing practice.

Board Members and Senior Management Personnel must promote a respectful work place, culture that is free of harassment, bias and discrimination of any kind.

11. COMMUNICATION WITH PRESS/TV/RADIO

Only the Chairperson and MD and other whole time Directors with the consent of Chairperson or MD can interact with the Press/TV/Radio etc. No Board Members and Senior Management Personnel of the Company can criticize the Company in any article/in radio/TV broadcast etc.

12. PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Regulation 46 (2) (d) of the Listing Regulation, this 'Code' shall be posted on the

website of the Company.

13. CLARIFICATION ON CODE OF CONDUCT

Board Members and Senior Management Personnel requiring any clarification regarding this Code of Conduct may contact the Company Secretary.

14. ANNUAL COMPLIANCE REPORTING

It terms of Regulation 26 (3) of the Listing Regulation, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 10 days of close of every financial year in the proforma enclosed as [Annexure II](#) to this Code. The Annual Report of the Company shall contain a declaration to this effect and signed by the Managing Director.

15. CONSEQUENCES OF NON- COMPLIANCE OF THE CODE

In case of non-compliance of this 'Code' by the Whole-time Directors and Senior Management Personnel, the same shall be informed and considered by the Board.

In case of non-compliance of this Code by the Part-time Directors, the same shall be informed and considered by the Board.

16. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code in the acknowledgement form annexed to this Code vide [Annexure III](#).

17. AMENDMENTS TO THE CODE

Any amendment in the provisions of the Act and/or the Listing Regulation relating to the Code of Conduct for Board Members and Senior Management Personnel will be incorporated in the Code with the approval of MD, and shall be informed to the Board.

Annexure I

Duties of Directors:

As laid down in the Companies Act, 2013 under Section 166, the duties of directors are:

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.

Duties of Independent Directors:

As laid down in the Companies Act, 2013 under Schedule IV [section 149(8)], 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) 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, unless such disclosure is expressly approved by the Board or required by law.

[Annexure II](#)

KEERTHI INDUSTRIES LIMITED

Compliance of the Code of Conduct by all Board Members and Senior Management Personnel of the Company

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ANNUAL COMPLIANCE REPORT*

I, -----, do hereby solemnly affirm to the best of my knowledge and belief that I have, in letter and in spirit, complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31st March -----.

Signature :

Name :

Designation :

Date :

Place :

* To be submitted by 10th April each year.

Annexure III

KEERTHI INDUSTRIES LIMITED

Acknowledgment of receipt of Code of Conduct by all Board Members and Senior Management Personnel of the Company

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ACKNOWLEDGEMENT FORM

I -----, have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL ("the Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :

Name :

Designation :

Date :

Place :

(Please sign and return this form to the Company Secretary.)