

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

INTRODUCTION & APPLICABILITY :

Kalyani Investment Company Limited (KICL), believes in transparent policies, appropriate disclosures, best in class Board practices and consistently high standards of corporate conduct towards its stakeholders which are essential for maximizing shareholders' value and sustained corporate growth. KICL is, therefore, committed to maintain high standards of corporate governance. To strengthen this commitment further, the Board of Directors of the Company has approved and adopted the following Code of Conduct for Directors and Senior Management of the Company.

This Code of Conduct comes into force with immediate effect and is applicable to all the members of the Board of Directors and Senior Management of the Company (hereinafter referred to as "Directors / Senior Management"). Senior Management for the purposes of this Code of Conduct includes all officers in the cadre of Vice President and above.

CODE OF CONDUCT :

- Act in the best interests of, and fulfill their fiduciary obligations to the Company and its shareholders.
- Act honestly, fairly, ethically and with integrity.
- Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position.
- Help in creating and maintaining the culture of commitment to compliance with all applicable laws, rules and regulations.
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated.
- To ensure that assets of the Company are fully protected and put to use for Company's business and to maintain high standards of manufacturing practices to achieve customers' total satisfaction.
- Not to use the Company's property, information, position or opportunities for personal gain.
- Act in a manner to enhance and maintain the reputation of the Company.
- Disclose potential conflict of interest that they may have regarding any matters relating to the Company's business, abstain from discussion, voting or otherwise influencing a decision on any matter in which they have or may have a conflict of interest; serving as Director of any Company which is in direct competition with the Company would be conflict of interest and it would be necessary to obtain prior approval of the Board of Directors of the Company before accepting such Directorship.

- Make available to and share information as may be appropriate to ensure sound and efficient operations of the Company.
- Maintain confidentiality of information relating to the affairs of the Company acquired in the course of their position in the Company, except when authorized or legally required to disclose such information.
- Not to use confidential information acquired in the course of their position in the Company for personal advantage or for the advantage of any other entity even after cessation of relationship with the Company.
- Ensure equal opportunities to employees at all levels, provide congenial working environment in the Company free from any discrimination on grounds of cast, religion, colour, marital status, sex, age and nationality.
- Ensure to provide safe and healthy working environment and preservation of environment so as to avoid wastage of energy, natural resources and implementation of waste management procedures and preservation of ecological environment.
- Ensure compliance of Company's Policy on Disclosures and Internal Procedures for Prevention of Insider Trading under SEBI Regulations.

In addition to the above, the Independent Directors shall abide by the following guidelines and duties pursuant to Schedule IV of the Companies Act, 2013 :

I. Guidelines of Professional Conduct :

An Independent Directors shall :

- Uphold ethical standards of integrity and probity;
- Act objectively and constructively while exercising his duties;
- Exercise his responsibilities in a bona fide manner in the interest of the Company;
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 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;
- 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;
- Refrain from any action that would lead to loss of his independence;

- Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; and
- Assist the Company in implementing the best corporate governance practices.

II. Role and functions :

- 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;
- Bring an objective view in the evaluation of the performance of Board and management;
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- Safeguard the interests of all stakeholders, particularly the minority shareholders;
- Balance the conflicting interest of the stakeholders;
- 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; and
- 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 Director shall :

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- Strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
- Participate constructively and actively in the Committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the Company;

- 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;
- Keep themselves well informed about the Company and the external environment in which it operates;
- Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- 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;
- 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;
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- 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.

ENFORCEMENT OF CODE OF CONDUCT :

Directors / Senior Management shall be accountable for complying with this Code and shall give a declaration to the Board on annual basis as on March 31 each year to the effect that they have complied with the provisions of the Code. Any violation of the Code that is reported / noticed shall be placed before the Board.

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

WAIVER AND AMENDMENTS TO THE CODE :

This Code is subject to modification and review by the Board of Directors and any amendments or waiver of any provisions of this Code would be approved by the Board of Directors.

NO RIGHTS CREATED :

This Code of Conduct is a statement of certain values and principles, policies and procedures, etc, governing the Directors / Senior Management of the Company relating to the conduct of the Company's business. It is to be clearly understood that this Code of Conduct is not intended and does not in any way or for any matter whatsoever create any rights or obligations towards any employee, customer, client, supplier, competitor, shareholders or any other persons or entity.
