



khaitan (India) Limited
CIN No. L10000WB1936PLC008775

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**CODE OF CONDUCT FOR DIRECTORS AND SENIOR
MANAGEMENT OF KHAITAN (INDIA) LTD.
(As per Companies Act, 2013 and SEBI (LODR) Regulation, 2015)**

**Review Frequency: Annual
Last Reviewed On: 01-04-2022**



(Applicable to all directors, officers, and employees of Khaitan (India) Limited (hereinafter referred to as 'Company'))

The Company is committed to conducting its business in accordance with the applicable laws, rules, and regulations and with the highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. Each Director, officer, and employee is expected to comply with the letter and spirit of this Code.

The directors, officers, and employees of the Company must not only comply with applicable laws, rules, and regulations but should also promote the honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

This code does not attempt to describe all potential problem areas that could develop, but some of the more common problems are described below:

Conflicts of Interest - A conflict situation can arise:

1. The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company.
2. Any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company.
3. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings.
4. Any significant ownership interest in any supplier, customer, development partner, or competitor of the Company.
5. Any consulting or employment relationship with any supplier, customer, business associate, or competitor of the Company.

The directors, officers, and employees should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Board of directors or any Committee/officer nominated for this purpose by the Board and prior written approval should be obtained.

Honest and Ethical Conduct: The Directors, officers, and employees shall act in accordance with the highest standards of personal and professional integrity, honesty, and ethical conduct not only on Company's premises but also at company-sponsored business, social events as well as any places. They shall act and conduct free from fraud and deception. Their conduct shall conform to the best accepted professional standards of conduct.



Corporate Opportunities - Directors, officers, and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, officers, and employees are expressly prohibited from:

1. Competing directly with the business of the Company or with any business that the Companies considering.
2. Using Company's property, information, or position for personal gain. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he may pursue such activity only after disclosing the same to the Board of directors or the nominated person/committee.

Confidentiality - The directors, officers, and employees shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier, or business associate of the Company to which the Company must maintain confidentiality, except when disclosure is authorized or legally mandated. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or harmful to the Company or its associates. The use of confidential information for his advantage or profit is also prohibited.

Fair Dealing - Each director, officer, and employee should deal fairly with customers, suppliers, competitors, and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary, or trade secret information, misrepresentation of material facts, or any other unfair dealing practices.

Protection and Proper Use of Company's Assets - All directors, officers, and employees should protect Company's assets and property and ensure their efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. The company's assets should be used only for legitimate business purposes.

Compliance with Laws, Rules, and Regulations: The Directors, officers, and employees shall comply with all applicable laws, rules, and regulations. Transactions, directly or indirectly, involving securities of the Company should not be undertaken without pre-clearance from the Company's compliance officer.

Compliance with Code of Conduct: If any director, officer, or employee knows of or suspects a violation of applicable laws, rules, or regulations or this Code of conduct, he/she must immediately report the same to the Board of Directors. Such a person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity, and reputation.

Violations of this Code of Ethics will result in disciplinary action, which may even include termination of services of the employee. The Company's Board shall determine the appropriate action in response to violations of this Code of Ethics.

Interpretation of Code - Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person /committee authorized by the Board of the Company. The Board of Directors or any designated person/committee has the authority to waive compliance with this Code of business conduct for any director, officer, or employee of the Company. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the designated person/ committee



Duties of Independent Directors

(Pursuant to section 149, section 166, and Schedule IV of the Companies Act, 2013)

(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 to gain 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 the board and management;
- (3) scrutinize the performance of management in meeting agreed with 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 for executive directors, key managerial personnel, and senior management and have a prime role in appointing and where necessary recommending 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;
- (8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee;
- (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 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, unless such disclosure is expressly approved by the Board or required by law.



(IV) General duties of Directors pursuant to Section 166 of the Companies Act, 2013:

- (1) Subject to the provisions of the Companies Act, 2013, 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 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, and the community and for the protection of the 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.

Code of ethics for Senior Financial Officers:

Honesty, integrity, and sound judgment of the senior financial officers are fundamental for the success and reputation of the Company. The professional and ethical conduct of the senior financial officers is essential to the proper functioning of the Company. The senior finance officers as well as directors of the Company shall be bound by the following code of ethics:

- (1) Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial, and professional relationships,
- (2) Make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits or makes periodically, to the shareholders, government authorities, and the public,
- (3) Comply with governmental laws, rules, notifications, and regulations applicable to the Company's business,
- (4) Disclose to the Board or any committee/officer designated by the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the company,
- (5) Promote prompt reporting of violations of the Code of Ethics to the Board of Directors or any person/committee designated for this purpose, as may be necessary,
- (6) Respect the confidentiality of information acquired in the course of employment unless legally obliged to disclose and ensure that no such confidential information is used for personal advantage/benefit,
- (7) Maintain the skills necessary and relevant to the Company's needs,



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- (8) Act in good faith, and responsibility, with due care, competence, and diligence without misrepresenting material facts,
- (9) Refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts,
- (10) Achieve responsible use of and control over all assets and resources employed or entrusted to them,
- (11) Promote ethical and honest behaviour within the Company and its subsidiaries,

All senior financial officers should adhere to both the code of business conduct and the code of ethics of the Company. Violation of the code of ethics will lead to appropriate disciplinary action including dismissal from the services of the Company any deviation/waiver from this code can only be affected on the sole and absolute discretionary.