



CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

PREAMBLE

Clause 49 of the Listing Agreement (effective from October 1, 2014) stipulates that every listed Company shall lay down a code of conduct for all Board of Directors and Senior Management personnel of the Company.

The code of conduct shall be posted on the website of the Company. (The term “Senior Management” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. Normally, this would comprise of all members of management one level below the executive directors, including all functional heads).

APPLICABILITY

All Directors/Senior Management personnel are expected to comply with the code in its letter and spirit. They are also required to affirm compliance on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO / Managing Director.

This Code shall apply to the Independent / Non- executive Directors to the extent that it does not conflict with or is prejudicial to the interest to the Company. Subject to the foregoing and in accordance with the following paragraphs, the Independent / Nonexecutive Directors of the Company shall not be precluded from taking up outside assignments / directorships in other companies.

OBJECTIVE

The company places uncompromising emphasis on business integrity, ethical conduct and adherence to regulatory compliances.



This code of conduct should ensure compliance not only with all legal requirements, but also with the company's standards on business conduct. All directors and Senior Management (i.e. one level below the executive directors including the functional heads) of the company must act within the authority conferred upon them and with a duty to take informed decisions in the best interests of the Company and its shareholders/stakeholders.

COMPLIANCE OF THE CODE OF CONDUCT

With a view to maintain the high standards that the company requires, the following code of conduct should be observed in all activities. All directors and senior management must understand the importance of compliance and the consequences of non-compliance. The Company has appointed the Company Secretary as a compliance officer for the purposes of this code.

CONDUCTS

1) Honesty & Integrity

All Directors and members of the Senior Management shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All the directors and members of Senior Management will act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated. The Directors and members of the Senior Management will act in the best interests of the Company to fulfill their fiduciary obligations.

2) Conflict of interest

The Directors on the board of the Company and members of Senior Management shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or the group. Following are some of the common circumstances that may lead to a conflict of interest, actual or potential -



- a) The Directors and members of Senior Management should not engage in any activity/employment that interferes with the performance or responsibility to the Company or otherwise in conflict with or prejudicial to the Company.
- b) Investments by Directors and their immediate families may create conflicts of interest. Directors and their immediate families should avoid investment transactions in which their own interests conflict or might appear to conflict with DIKL's interests. Whether an actual conflict of interest exists is to be determined by the relationship between the Company in which the investment has been made and the level of influence held by the Director or member of the director's immediate family in that company.
- c) The Directors and members of Senior Management should avoid conducting company business with a relative or with a firm/company in which a relative/related party is associated in any significant role. If such related party transaction is unavoidable, it must be fully disclosed to the Chairman or the Managing Director of the Company.

3) Compliance of all applicable laws

The Directors and members of Senior Management are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behaviour, directors and members of Senior Management must report any possible violation of laws, rules, regulations or codes of conduct, to the Chairman. This standard lays down compliance with all central, local, state and other applicable laws, rules and regulations.

4) Outside/or other Directorships



The Company feels that serving on the boards of Directors of other companies may raise substantial concerns about potential conflict of interest. And therefore, all directors must disclose such relationships to the Board on an annual basis. It is felt that service on the board of a direct competitor would not be in the interest of the Company.

5) Protecting the company's confidential Information and its disclosure

Any information concerning the Company's business, its customers, suppliers etc., which is not in the public domain, and to which the directors and members of Senior Management have access or in possession thereof, must be held in confidence, unless the disclosure is required as a matter of law. No director or member of Senior Management shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

6) Obligations under Securities laws to prevent Insider Trading

Any director or member of Senior Management of the company shall not derive benefit or assist others to derive benefit by giving investment advice, from access to and possession of information about the company, which is not in the public domain. All directors and members of Senior Management will comply with insider trading regulations issued by SEBI.

7) Receipt of Gifts & offer of Donations -

No director or members of Senior Management of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive favours or decisions) for the conduct of business.



Nominal gifts of commemorative nature, for special events may be accepted.

8) Use of Company's Assets and its protection

The Directors and members of Senior Management must protect the company's assets including human resources and information and may not use these for personal use, unless approved by the Board.

9) Duties of Directors

The duties of the Directors shall include duties stated in Companies Act, 2013, Listing Agreement, SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Code of Conduct for Prevention of Insider Trading framed thereunder and other applicable laws, the duties of a director are as under:

In terms of Section 166 of the Companies Act, 2013, a director shall:

- a. act in accordance with the articles of the company.
- b. 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.
- c. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. 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.
- e. 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.
- f. not assign his office and any assignment so made shall be void.



In terms of Schedule IV of the Companies Act, 2013, the independent directors shall;

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the company;
- f. 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;
- g. keep themselves well informed about the company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. 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;



- j. 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;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m. 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.

9) Waivers

Any waiver of any rule of this Code by any Director or by any member of Senior Management must be approved in writing by the company's Board and should be disclosed.

10) Enforcement and disciplinary actions

The rules contained in this Code are of utmost importance to the company, its stakeholders and its business partners. Therefore, all directors and members of the Senior Management should adhere to these rules. The company will take appropriate disciplinary action on deliberate failure to comply with these rules in a way that is fair, transparent and effective manner.

11) Acknowledgement and Annual Compliance:

The Directors and Senior Management should sign the acknowledgment form annexed as **Annexure – I** hereto and return the form to the Company Secretary indicating that they have received, read, understood and agreed to comply with the Code. All the Directors and Senior Management shall be required to affirm compliance with this Code on an annual basis within 30 days of close of every financial year to the Company Secretary, in the



form annexed hereto as **Annexure – II**. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director.

12)Amendment/ Modification:

This code may be amended/ modified by the Board as may be deemed necessary in the interest of the Company and subject to the provisions of the applicable laws, rules, regulations or guidelines. The company will notify such change to all the directors and members of the Senior Management.

Annexure – I

**Acknowledgement Form-
Code of Conduct under Clause 49 of the Listing Agreement**

As a Director/ Senior Management of the Dai-ichi Karkaria Limited, I hereby acknowledge that I have received and read the Code of Conduct for Directors and Senior Management of the Company. I agree to comply with this code.

Signature :

Name :

Designation :

Date :

Place :





Annexure – II
ANNUAL COMPLIANCE REPORT

I, _____, do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT during the financial year ending 31st March_____.

Signature :

Name :

Designation :

Date :

Place :

- *To be submitted before 30th April each year*