

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

(Pursuant to Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

R K SWAMY LIMITED

(Formerly Known as 'R K Swamy Private Limited')

1. PREAMBLE:

Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”) provides that the board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity and the code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013 (“**Companies Act**”).

R K SWAMY Limited (the “**Company**”) has formulated this code of conduct for the members of the board of directors of the Company (the “**Board**” and such directors, the “**Director(s)**”) and the members of the senior management of the Company (the “**Senior Management**”) pursuant to the Listing Regulations (the “**Code**”). The Code is aligned with the Company’s objectives and aims to enhance an ethical transparent process in managing the affairs of the Company.

The terms not defined in the Code shall have the meaning as ascribed to such terms under the Companies Act and the Listing Regulations.

All the Directors and members of the Senior Management shall sign the acknowledgment form attached as **Annexure I** and return the form to the Company Secretary indicating that they have received, read and understood the provisions of the Code and agree to comply with the same.

2. PHILOSOPHY/OBJECTIVE:

- Over the years, the Company conducted its business with very high ethical and moral standards. As the Company grows and expands, it is extremely important to continue to exhibit high levels of ethical standards and professional behavior in everything that the Company does.
- The Code is applicable to the following persons:
 - All members of the Board of the Company; and
 - Senior Management:- Officers or personnel of the Company who are members of the core management team excluding the Board of Directors and shall also comprise of all the members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity (“**Senior Management Personnel**”).
- Directors and Senior Management Personnel are expected to read and understand this Code, uphold these standards in their day-to-day activities, and comply with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company that govern the conduct of its employees.

3. Guidelines for Conduct:

I. The Company expects:

- a. Adherence to the highest standards of honest conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships;
- b. Compliance with applicable laws, rules and regulations;
- c. To address misuse or misapplication of the Company's assets and resources;
- d. The highest level of confidentiality and fair dealing within and outside the Company;
- e. All Directors and Senior Management Personnel to conduct their activities and fulfil their fiduciary obligations, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness and in the best interest of the Company;
- f. All Directors and Senior Management Personnel to act on a fully informed basis, in good faith, responsibility, due diligence and care, competence and diligence, without allowing their independent judgment to be subordinated and in the best interest of the Company; and
- g. All Directors and Senior Management Personnel to exercise good judgment, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization.

II. "Conflict of Interest":

The Directors and Senior Management Personnel are expected to:

- a. Disclose any direct or indirect personal interest (financial or otherwise) in any matter relating to the business of the Company to the Board of Directors of the Company ('the Board').
- b. Preserve and protect Company's assets and resources (including information and intellectual property rights) and shall use the same only for the Company's business and not for personal gain / advantage.
- c. Not to exploit, for their personal gain, opportunities that are discovered by or through the Company.
- d. Not to divert to their own advantage any business opportunity that the Company is in pursuit.

III. Outside Directorship:

It is a conflict of interest to serve as a Director of any company that competes with the Company. The Directors and Senior Management Personnel are expected not to associate himself / herself with any competitor of R K SWAMY Limited.

IV. Outside Employment:

In consideration of employment with the Company, Whole Time Directors and Senior Management Personnel are expected to devote their full attention to the business interest of the Company. The Senior Management Personnel are prohibited from holding any

position or job or be on the Board of any other company outside R K SWAMY Group without approval of the Chairman & Managing Director of the Company.

V. Gifts:

The Company regards the giving and receiving of gifts, complimentaries, favours or entertainment as inherently compromising unless they are of reasonable value (i.e., not extravagant) under the circumstances. This means they must have a valid business purpose; are appropriate as to time, place and kind; are infrequent in occurrence; do not influence or give the appearance of influencing the recipient; and are not likely to be viewed as a bribe, kickback or payoff. However, gifts of money shall never be accepted or given.

VI. Disclosure Standards:

The Company shall make true, fair, adequate and accurate disclosures in the periodic reports required to be filed with governmental, regulatory and statutory authorities. The Senior Management Personnel shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board, auditors, regulators and other statutory agencies, as may be required under applicable laws, rules and regulations.

Further, the Board and Senior Management Personnel shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

The Key Managerial Personnel, Directors, Promoter, Promoter Group or any other person dealing with the listed entity shall disclose to the listed entity all information that is relevant and necessary for the listed entity to ensure compliance with the applicable laws.

VII. Confidentiality:

- a. Any information concerning the Company's business, its customers, suppliers, etc. shall be considered as confidential.
- b. No Directors or Senior Management Personnel shall provide any information concerning the Company or its business or its customers, suppliers etc., either formally or informally, to any person including press or publicity media, unless such information is –
 - in public domain at the time of disclosure; or
 - authorized or required to be disclosed pursuant to a decision of the Board / Committee thereof; or
 - required to be disclosed in accordance with applicable laws or requirement of any government authority.
- c. Directors must ensure that the information is not used by them for the benefit of any of the Company's competitors or other parties who, if in possession of the said information, may use it in a manner inconsistent with the Company's interests.
- d. The obligation of confidentiality shall continue even after such person ceases to be Director or Senior Management Personnel of the Company.

VIII. Insider Trading:

Directors and Senior Management Personnel of the Company must ensure that they and their relatives comply with the Securities and Exchange Board of India (Prohibition of

Insider Trading) Regulations, 2015, and the Company's Policy on the Insider Trading. In particular, Directors must ensure that they do not, by themselves or through third parties, deal in the Company's shares while in possession of material non-public information relating to the Company. Directors and Senior Management Personnel must also ensure that they do not divulge such information to third parties except for a legitimate purpose as defined in the Company's Policy who may use the information to deal in the Company's shares.

IX. Code of Conduct for Independent Directors:

In addition to the code of conduct as applicable to all Directors and Senior Management Executives as above, the independent Directors of the Company 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 for the purpose of gaining 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.

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 board and management;
- 3) scrutinize the performance of management in meeting agreed 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 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;
- 8) Moderate and arbitrate in the interest of the company as a whole, in situations of

conflict between management and shareholder's interest.

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 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 their 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.

4. ENFORCEMENT:

Violations of this Code or other Company Policies or Procedures by Senior Management Personnel should be promptly reported to the HR Department and violations by members of the Board of the Company to the Chairman & Managing Director. The Board has the power to investigate, in such manner as it may deem fit, any breach or violation or alleged breach or violation of the Code.

The Company will take appropriate action against any person whose actions are found to violate the Code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion. The Board also

has the absolute power to determine penalty for the same as it may consider appropriate under the circumstances. Such penalty may be in addition to the penalty levied under any applicable law for the time being in force for such breach or violation.

5. AFFIRMATION:

- a. All Directors and Senior Management Personnel shall affirm compliance with the Code on annual basis within 30 days of close of every financial year ending on 31st March.
- b. The annual affirmation (as per format prescribed as per **Annexure II**) shall be forwarded to the Company Secretary of the Company within the said period of 30 days.

6. POLICY APPROVAL AND UPDATES:

The key management personnel or the person authorized by the Board may review this Policy from time to time. Any material changes to this Policy shall require prior approval of the Board. In case of any inconsistency between the terms of this Code, Listing Regulations and Companies Act the provisions of the Listing Regulations and Companies Act shall prevail.

7. REPORTING:

Every Director or Senior Management Personnel of the Company shall promptly report to the management any actual or possible violation of the Code or an event that he/she becomes aware of that could affect the business or reputation of the Company.

8. DISCLOSURE:

This Policy shall be disclosed on the website of the Company www.rkswamy.com

ANNEXURE I**R K SWAMY LIMITED****CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT****ACKNOWLEDGEMENT FORM**

I, _____, have received and read the Company's **Code of Conduct for the Board of Directors and the Senior Management**. I have understood the terms contained in this Code and I agree to comply with the Code.

Signature:

Name:

Designation:

Date:

Place:

ANNEXURE II**R K SWAMY LIMITED****CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT****DECLARATION**

**To,
The Chairman
The Board of Directors
R K SWAMY Limited**

Dear Sir/Madam,

Sub: Declaration confirming compliance with the Code of Conduct

Ido hereby affirm that I have complied with the Code of Conduct for the Board Members and Senior Management Executives of R K Swamy Limited during the financial year ended on 31st March.

Signature:

Name:

Designation:

Place:

Date: