



KISAN MOULDINGS LIMITED

Regd. Off.: "Tex Center", K-wing, 3rd Floor, 26 'A' Chandivli Road, Off Saki Vihar Road,
Andheri (East), Mumbai - 400 072 • Tel : 022 - 4200 9100, 4250 9200 • Fax : 28478508
E-mail : customercare@kisangroup.com • Website : www.kisangroup.com



CIN:L17120MH1989PLC054305

CODE OF CONDUCT

FOR

INDEPENDENT DIRECTORS

(Adopted in the Board of Directors Meeting held on 24th July, 2014.)

➤ **APPLICABILITY OF THE CODE:**

This Code of Conduct (Code) applies to the Independent Directors of the Company. Independent Director shall be the director as defined as per section 149 (6) of Companies Act, 2013.

➤ **PURPOSE:**

The purpose of this policy is to lay a foundation for guidance to professional conduct for independent directors. Adherence to the Code in a professional and faithful manner shall promote confidence in the stakeholders and regulators.

➤ **GUIDELINES FOR CONDUCT:**

An independent director shall:

- ✓ Act objectively and constructively while exercising its duties. He should be loyal to the Company and act with integrity and in good faith and exercise his responsibilities in a bona fide manner in the interest of the company.
- ✓ refrain from any action that would lead to loss of his independence and assist the company in implementing the best corporate governance practices.
- ✓ dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his duties for informed and balanced decision-making and act objectively and constructively while exercising his duties.
- ✓ not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage.

➤ **ROLE AND FUNCTIONS OF INDEPENDENT DIRECTOR:**

The Independent Directors has the responsibility:

- ✓ To be Impartial and objective in its judgment and provide specialized skills and strategic advice to the Company.
- ✓ To 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.
- ✓ To 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.
- ✓ To satisfy themselves about the integrity of financial information and safeguard the interest of all stakeholders.
- ✓ To oversee the functioning of senior management Uphold the high standard of integrity and probity in the interest of the Company.
- ✓ To review the remuneration package of executive and non-executive director on periodic basis.

➤ **DUTIES OF INDEPENDENT DIRECTOR:**

The Independent Director shall:

- ✓ Strive to attend all the meetings of the Board and its Committee of which he is a member. Also strive to attend general meetings of the Company.
- ✓ Contribute to Board matters in a varied and informed manner and to act as a constructive critic in looking at the objectives and plans of the executive management.
- ✓ Keep themselves updated about the Company and the external environment in which it operates.
- ✓ Report concerns about unethical activities, fraud and violation of law.
- ✓ Ensure transparency in Corporate Governance and assist in protecting the legitimate interests of the Company and its stakeholders.
- ✓ Submit a self declaration that they have satisfied the laid criteria.
- ✓ Demand for effective vigil mechanism.
- ✓ Not disclose confidential information including commercial secrets, technologies, advertising, promotion plans, unpublished price sensitive information unless such disclosure is expressly approved by the Board or is required by law.

➤ **LIABILITIES:**

The Independent Directors can be convicted of the offences committed with their knowledge or negligence. This will limit their liability.

➤ **MANNER OF APPOINTMENT, RE-APPOINTMENT, RESIGNATION OR REMOVAL:**

MANNER OF APPOINTMENT:

- ✓ The appointment process of Independent Directors shall be independent of Company's management.
- ✓ The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders and the explanatory statement attached to the notice calling for general meeting shall state that the independent director proposed to be appointed

fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

- ✓ The appointment of independent directors shall be formalised through a letter of appointment, which shall set out the terms and conditions of appointment.

MANNER OF RE-APPOINTMENT:

- ✓ Re-appointment shall be on the performance evaluation, which shall be done by entire Board of Directors excluding the director to be evaluated on the basis of report of performance evaluation.

MANNER OF RESIGNATION OR REMOVAL:

- ✓ An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director within a period of 180 days from the date of resignation and removal
- ✓ The resignation or removal of independent director shall be in the same manner as specified in Section 168 & 169.

➤ **REMUNERATION:**

- ✓ The Act expressly disallows the independent directors from obtaining stock options and remuneration other than sitting fees and reimbursement of travelling expenses for attending meets.
- ✓ Profit related commission may be paid to them subject to the approval of shareholders.

➤ **LIMITATIONS:**

An Independent Director shall:

- ✓ not serve as an independent director in more than 7 listed Companies.
- ✓ Any person serving as a whole time director in any listed Company shall serve as an Independent Director in not more than 3 listed Companies.

➤ **TENURE:**

An independent director shall hold office for a term up to 5 consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to 5 years on passing of a special resolution by the Company.

➤ **SEPERATE MEETINGS:**

- ✓ The independent directors shall hold at least one meeting of only the independent directors.
- ✓ The agenda for the meeting shall include:
 - (a) Reviewing of performance of non-independent directors and the Board as whole.
 - (b) Reviewing the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
 - (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

➤ **COMMITTEES:**

- ✓ As per the Companies Act, 2013 and the Listing Agreement, Independent director shall be member of following Committees –
- ✓ Corporate Social Responsibility – atleast one shall be independent director
- ✓ Nomination and Remuneration Committee - not less than one half should be independent director
- ✓ Audit Committee – minimum 3 director with independent directors forming majority

➤ **CONCLUSION:**

The act empowers the independent directors with proper checks and balances, so that such extensive power is not exercised solely by non-independent directors. This step is in the right direction and ensures rational accountable practices are adopted by Company.
