

# **ABHIJIT TRADING CO LTD**

## **Code of Conduct**

### **For Board of Directors, Senior Management as per schedule IV of Companies Act, 2013**

#### **PREAMBLE**

Regulation 17(5) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") stipulates that the Board of Directors of every listed company shall lay down a code of conduct for all Board members and Senior Management personnel of the Company.

#### **INTRODUCTION:**

Abhijit Trading Co Limited is, committed to conducting its affairs ethically and lawfully. This Code of Conduct establishes policies & procedures that are intended to guide directors, officers and employees in the performance of their duties and responsibilities and ensure compliance with the Company's commitment to ethical and lawful conduct. These standards are set forth in the pages that follow and are reflected in the character and the conduct of our directors, officers and employees, which are in consonance of compliance of the **Regulation 17(5) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**, in its true spirit and not only as a matter of legal compliance. In pursuant of the said Clause, the Board of Directors of the company in their meeting held on 17<sup>th</sup> of January, 2023 approved the revised Code of Conduct, which has become effective **w.e.f. 17<sup>th</sup> January, 2023**. A copy of the Code of Conduct as approved by the Board of Directors is provided hereinafter.

We also encourage you to seek assistance either from your superior or from the Secretarial Department when a question or concern arises with respect to any matter addressed in this material. If you have question or concern about a code of Conduct provision or about some action or practice you observe, you should always bring your questions to the attention of the company by talking to your superior, other members of management, the company's Legal or Secretarial Department or use the Company's anonymous reporting system. The key is to make the Company aware of any questions of concerns you have so they can be investigated, evaluated and appropriately addressed. "For the purpose of this code the **SENIOR MANAGEMENT** means personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

#### **GOOD CORPORATE CITIZENSHIP:**

In the conduct of the Company's business, the practice of good corporate citizenship is a prerequisite and embraces the following:

##### ***Dealing with People in the Organization***

In dealing with each other, directors, senior management and employees shall uphold the values which are at the core of our Philosophy - trust, teamwork, mutuality and collaboration, meritocracy, objectivity,

self respect and human dignity. Indeed, these values form the basis of our management systems and processes. Abhijit Trading Co Ltd will focus on meritocracy, equity and upholding of Company values in all people processes including performance management systems, appraisals, remuneration and rewards.

### ***Friendly Workplace***

As a good corporate citizen, Abhijit Trading Co Limited is committed to a friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices.

Sexual harassment includes unwelcome sexually determined behavior such as: unwelcome physical contact; a demand or request for sexual favors; sexually colored remarks; showing pornography and any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.

Company maintains an open door for reportees; encourages employees to report any harassment concerns and is responsive to employee complaints about harassment or other unwelcome and offensive conduct. Abhijit Trading Co Ltd demands, demonstrates and promotes professional behaviour and respectful treatment of all employees.

### ***Relationships Stakeholders***

All directors, senior management and employees shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised. Accepting gifts and presents of more than a nominal value, gratuity payments and other payments from suppliers or customers will be viewed as serious breach of discipline as this could lead to compromising the Company's interests

### ***Legal Compliance***

It is the Company's policy to comply fully with all applicable laws and regulations. Ensuring legal and regulatory compliance is the responsibility of the Chief Executives of the Businesses and the Divisional Management Committees. The Company cannot accept practices which are unlawful or may be damaging to its reputation. Divisional Management Committees must satisfy themselves that sound and adequate arrangements exist to ensure that they comply with the legal and regulatory requirements impacting each business and identify and respond to developments in the regulatory environment in which they operate. In the event the implication of any law is not clear, the Company's Legal Department shall be consulted for advice.

### ***Health and Safety***

The Company attaches great importance to a healthy and safe work environment. Abhijit Trading Co Ltd is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents.

### ***Environment Policies***

The Company believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to be accorded the highest priority.

Accordingly, the Company is committed to Best Practices in environmental matters arising out of its business activities and expects each business to fully demonstrate this commitment.

In addition to complying with applicable laws and regulations, Businesses must establish procedures for assessing the environmental effects of their present and future activities. They should adopt Best Practices in their environmental policies and procedures.

## **PERSONAL CONDUCT**

All directors, senior management and employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

### ***Avoidance of Conflict of Interest***

All directors, senior management and employees must avoid situations in which their personal interest could conflict with the interest of the Company. This is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or potential conflict must be disclosed to higher management for guidance and action as appropriate.

### ***Transparency and Auditability***

All directors, senior management and employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes, including as appropriate, segregation of duties, tiered approval mechanism and involvement of more than one manager in key decisions and maintaining supporting records. It shall be necessary to voluntarily ensure that areas of operation are open to audit and the conduct of activities is totally auditable.

### ***Protection of Confidential Information***

No director, senior management and employee shall disclose or use any confidential information gained in the course of employment/ association with the Company for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press, other publicity media or any other external agency except within approved policies.

### ***Company Facilities***

No director, senior management and employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

### ***Leading by Example***

The organization's directors and senior management set the professional tone for the Company. Through both their words and their actions, the organization's leadership conveys what is acceptable and unacceptable behaviour. Abhijit Trading Co Ltd directors, senior management and employees must constantly reinforce through their actions and behaviour that Abhijit Trading Co Ltd 's stated beliefs of responsible corporate citizenship are rooted in individual conviction and personal integrity.

## **WAIVERS**

Any waiver of any provision of this Code of Conduct for a director, senior management or employee must be placed for approval before the Company's Board of Directors / Corporate Management Committee, as appropriate.

## **NON ADHERENCE**

Any instance of non-adherence to the Code of Conduct should be brought to the attention of the immediate reporting authority, with copies to the relevant Head of Corporate Department. In respect of senior management, any such instance should be brought to the attention of the Chairman of the Audit Committee with a copy to the Company Chairman.

## **COMPANY FUNDS AND PROPERTY**

We are all personally responsible and accountable for the proper expenditure of Company funds. This includes Company money spent on travel or other business expenses. We are also responsible for the proper use and care of company property over which we have control. Company equipment or other property should be handled, secured and cared properly. It should not be used for personal benefit, sold, loaned, given away or otherwise disposed off, regardless of its condition or value, without proper authorization.

## **RECORD KEEPING**

The company required honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported. Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your superior. The company has rules and guidelines for expenses report and reimbursement. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirement and applicable company policies. Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's policy and/or applicable law. In accordance with those policies, in the event of threatened or actual claims, litigation or governmental investigation, please consult the Company Secretary regarding retention or destruction of any related materials.

## **CONFIDENTIAL INFORMATION**

As employees of Abhijit Trading Co Limited, we are all responsible for protecting the Company's confidential information and using that information only for Company's purposes. All information develop within the Company with respect to its business is confidential and should not be disclosed to any unauthorized person. Employees should not discuss confidential Company information outside the Company, even with their families. Such information must be protected because unauthorized disclosure could destroy its value to the Company and give unfair advantage to others. Examples of Company confidential information include, bids, business proposals and contracts, budgets, computer software, codes, data files and security information, trade secrets, nonpublic revenue or earnings results and any other non-public information concerning the Company's financial, legal or other business activities. Other information that we have access to may include personal information about our fellow employees, the Company's stockholders or our customers. This information is also confidential and may not be disclosed

without proper authorization. The Company's customers properly expect that this information will be kept confidential. GRM Overseas Limited takes any violation of a customer's confidentiality very seriously and will not tolerate such conduct.

### **INSIDER TRADING**

Directors and employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to –tip|| other who might make an investment decision on the basis of this information is not only unethical, but also illegal and may be subject to prosecution by government agencies. The Company's –insider Trading Policy|| requires Directors and certain employees to agree in writing to comply with this Company Policy Statement. If you have any questions, please consult with the company secretary.

### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **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 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.

#### **II. Role and functions:**

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations specially 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 those 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.

### **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 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 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. Responsibility**

An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Agreement.

### **V. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, 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.

(4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:

- (a) the term of appointment;
- (b) the expectation of the Board from the appointed director; the Board level committee(s) in which the director is expected to serve and its tasks;
- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
- (d) provision for Directors and Officers (D and O) insurance, if any;
- (e) the Code of Business Ethics that the company expects its directors and employees to follow;
- (f) the list of actions that a director should not do while functioning as such in the company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **VI. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VII. Resignation or removal:**

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) 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 not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VIII. Separate meetings:**

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) assess 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.

#### **IX. Evaluation mechanism:**

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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