

ELCID INVESTMENTS LIMITED

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I. APPLICABILITY OF THIS CODE

In view of the Regulation 17 (5) OF SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 dated 2nd September 2015 it is compulsory now to formally lay down a Code of Conduct for all Directors and Senior Management Personnel (SMP).

Ethical business conduct is critical to our business. Members of the Board and SMP are therefore expected to read and understand this Code, uphold these standards in 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 and to ensure that the various stakeholders of the Company are aware, understand and comply with these standards.

II. HONEST AND ETHICAL CONDUCT

The Company considers honest conduct to be conduct that is free from fraud or deception. The Company considers ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

III. RELATIONSHIP WITH THE COMPANY

Conflicts of Interest

The Board Members and SMP of the Company shall not generally engage in any business, relationship or activity which might detrimentally conflict with the interest of the Company or any of its subsidiary.

The main areas of actual or potential conflicts of interest would include the following:

Financial interest of a Board Member and SMP or his relatives, including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of the Company. *(The ownership of up to 1 per cent of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)*

A Board Member and SMP of the Company conducting business on behalf of his or her company, or being in a position to influence a decision with regard to his or her company's business with a supplier or customer of which his or her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative. However, the Board is to decide whether there is a conflict.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested Board Members and SMP should be made to the Board of Directors of the Company. It is also incumbent upon every Board Member and SMP to make a full disclosure of any interest which the Board Members and SMP or his/her immediate family relatives, (which would include parents, spouse and

dependent children) may have in a company or firm which is a supplier, customer, distributor or has other business dealings with the Company

Every such disclosure as mentioned above shall be done in writing and shall be placed before the Board and, upon a decision being taken in the matter, the Board Members and SMP concerned will be required to take necessary action as advised to resolve/avoid the conflict, if any.

Remuneration, etc.

Non-Executive Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and/or approved by the Shareholders from time to time.

In addition to the remuneration described, hereinabove, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

Receiving and making Gifts:

A Board Member and SMP (including his/her immediate family member) shall not accept a gift of any nature from any supplier, vendor, dealer, contractor, customer, competitor or any business associate.

Corporate Opportunities:

The Board Members and SMPs may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such opportunity.

Other Situations:

It would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts they must be resolved after consultation with the Company's Board of Directors and Audit Committee.

IV. DUTIES OF INDEPENDENT DIRECTORS AS PER COMPANIES ACT, 2013

The Independent Directors shall abide with the duties of directors and duties of Independent Directors as laid down by the Companies Act, 2013, the Schedules and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force). The duties of directors as per Section 166 and the duties of Independent Directors in accordance with Schedule IV of the Companies Act, 2013 are appended and marked as **Annexure I**.

V. PROTECTING CONFIDENTIAL INFORMATION

All confidential information must be used for Company's business purposes only. Every Board Member and SMP must safeguard it.

Obligations of the Board Members and SMPs with respect to Company Confidential Information are:

1. Not to disclose this information to persons outside of the Company without prior approval of the Chairman/Board.
2. Not to use this information for the Board Member and SMP's own benefit or the benefit of persons outside of Company.
3. Not to disclose this information to other Company employees except on a "need to know" or "need to use" basis and then only with a strong statement that the information is confidential.

VI. DISCLOSURE TO THE STOCK EXCHANGES AND PUBLIC

It is the Company's policy to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are to be filed with or submitted to, the stock exchanges where the Company's shares are listed, statutory authorities and in our other public communications. Accordingly, Board Member and SMP must ensure the compliance with such disclosure controls and procedures. All Board Members and SMP must also respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose.

VII. COMPLIANCE WITH GOVERNMENT LAWS, RULES AND REGULATIONS

The Board Members and SMP must comply with all applicable governmental laws, rules and regulations.

VIII. VIOLATIONS OF THE CODE

Actual violations of law, this code, or other Company policies or procedures, should be promptly reported to the Compliance Officer or the Chief Executive Officer of the Company. The Company will take appropriate action against those whose actions are found to violate the Code or any other policy of the Company.

IX. WAIVERS AND AMENDMENTS TO THE CODE

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's board of directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

**ANNEXURE I – DUTIES OF DIRECTORS UNDER SECTION 166 OF THE COMPANIES ACT, 2013
AND CODE FOR INDEPENDENT DIRECTORS – SCHEDULE IV OF THE COMPANIES ACT, 2013**

Duties of directors:

166. (1) Subject to the provisions of this Act, 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 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.

(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.

**SCHEDULE IV [See section 149(8)]
CODE FOR INDEPENDENT DIRECTORS**

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.