

## SOBHAGYA MERCANTILE LIMITED

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### CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT PERSONNEL

#### 1. INTRODUCTION

This Code of conduct for the Board of directors and the Senior Management Personnel (hereinafter referred to as “the Code”) has been framed in compliance with the provisions of Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and emphasis upon the ethical behavior and to develop a culture of honesty and accountability. It shall be our responsibility to maintain a co-operative, efficient, harmonious and productive work environment in the organization. We therefore shall endeavor to uphold the above in our day-to-day activities, comply with all applicable policies and procedures and ensure that all adhere to this Code.

#### 2. DEFINITION

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

- **“Board / Directors”** shall mean the Board of Directors of the Company.
- **“Company”** shall mean Sobhagya Mercantile Limited.
- **“Code of Conduct”** shall mean this code of conduct for Board members and senior management personnel of the Company.
- **“Employees”** for the purpose of this code of conduct shall mean senior management personnel of the Company.
- **“Senior management personnel”** shall mean 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.
- **“Conflict of interest”** means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.
- **“Executive Directors/Whole time Directors”** shall mean and include Company’s Managing Director and Directors who are in whole time employment of the Company.
- **“Non-Executive Directors”** shall mean the Directors who are not in whole time employment of the Company.
- **“Independent Directors”** shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing Agreement (as revised from time to time).

#### 3. APPLICABILITY

The code of conduct is applicable to:

- i) All the directors of the company
- ii) Members of the Senior Management of the Company (i.e., one level below the executive directors)
- iii) Functional Heads in the Company

#### **4. THE CODE**

*The members of the Board, senior management and functional heads of the company must observe and abide with the following code of conduct:*

- 1. To act honestly, diligently and in good faith and integrity in all their dealings with the company.*
- 2. To exercise authority and power with due care and diligence whilst discharging their responsibility of office.*
- 3. Not to allow personal interests to conflict with the interests of the company.*
- 4. Comply with all applicable laws and regulations.*
- 5. To observe confidentiality of information acquired in the course of their duties.*
- 6. Use company's property only for official purposes and not for personal gains.*
- 7. Deal fairly with customers, suppliers, employees and other business partners.*
- 8. Supply products and services of the highest quality standard.*
- 9. To maintain high ethical standards.*
- 10. To make proper records of all financial transactions.*
- 11. To always act in the best interests of the company and its stakeholders.*
- 12. To exercise responsibilities with utmost cost consciousness within the organization and shall promote the same.*
- 13. To endeavor to attend all meetings of the Board / committee meetings as are required for the benefit, growth and development of the company.*
- 14. Not to accept any gifts / donations / comparable benefits in cash or kind from suppliers / service providers / business partners, etc. However, an exception to this may be made for normal entertainment and for non-cash gifts.*
- 15. The directors to inform the Board of changes in their interests that may interfere with their ability to perform their duties, and in case of independent directors impact their independence as a board member.*

#### **5. DUTIES OF DIRECTORS IN TERMS OF SECTION 166 OF THE COMPANIES ACT, 2013:**

- a) Subject to the provisions of this Act, a director of the Company shall act in accordance with the Articles of the Company.
- b) A director of the 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.
- c) A director of the Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) A director of the 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.
- e) A director of the 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.
- f) A director of the Company shall not assign his office and any assignment so made shall be void.

## **6. CODE FOR INDEPENDENT DIRECTORS SPECIFYING THEIR DUTIES**

A guide to professional conduct for Independent Directors is separately specified under the Companies Act, 2013, in Schedule IV — “Code for Independent Directors”, which lays down the guidelines of professional conduct for Independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors.

## **7. AMENDMENT TO THE CODE**

The provisions of this Code can be amended or modified by the Board of Directors from time to time and all such amendments/modifications shall take effect from the date stated therein.

## **8. AFFIRMATION OF COMPLIANCE WITH THE CODE**

All the members of the Board, Senior Management and the functional heads in the Company shall affirm in writing compliance with this Code on an Annual basis in every financial year.

## **9. PUBLICATION OF THE CODE**

*This Code and any amendments thereto shall be published / posted on the website of the Company.*