



MONTECARLO

BORN TO ACHIEVE

**CODE OF CONDUCT FOR DIRECTORS AND SENIOR  
MANAGEMENT PERSONNEL**

## **1. Introduction**

This code of Conduct (“**Code**”) has been framed as per Regulation 17 (5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015. Through this code of Conduct, Montecarlo Limited (“**MCL**” or “**the Company**”) is intended to provide rules of conduct, the ethical principles, guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to cultivate a culture of honesty and accountability that form the basis for the business conduct of the Company.

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics.

## **2. Applicability**

The Code of Conduct is applicable to the Board of Directors and Senior Management Personnel (as defined hereinafter) of the Company.

The Senior Management Personnel for this purpose shall mean employees one level below the Managing Directors, including all functional heads.

## **3. Honest & Ethical Conduct**

The Directors & Senior Managerial Personnel shall act in accordance with the highest standards of personal and professional integrity, honesty, and morality with the Company’s customers, suppliers, competitors and employees. Such conduct shall be fair and transparent and in accordance with the best accepted professional standards of conduct. Their conduct shall be free from fraud and deception. They shall contribute in promoting the climate of trust and mutual respect.

## **4. Conflicts of Interest**

The Directors & Senior Managerial Personnel shall ensure that their private interest do not affect the interest of the Company. In case there is likely to be a conflict of interest, then Directors & Senior Managerial Personnel should make full disclosure of all facts and circumstances.

## **5. Confidentiality of information**

The Directors & Senior Managerial Personnel shall secure, preserve, and safeguard all confidential information (as defined hereinafter) in the best interest of the Company. Such confidential information shall be used in careful and prudent manner. They should not divulge or communicate such information to third party except when authorized for business reasons or legally mandated. Any information shall not be used or proliferated which is not available to public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the Company on which such insider information has been obtained.

The confidential information for this purpose shall mean all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed.

## **6. Compliance with Laws and regulations**

The Directors and Senior Managerial Personnel shall comply with all those acts, rules and regulations that regulate the conduct of Company both in letter and in spirit. They must abide by the policies and procedures that govern the conduct of the Company's business. Any Director and Senior Managerial Personnel who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her, should consult the Company Secretary and Compliance officer of the Company or take assistance from any consultation agency before taking any action that may jeopardize the Company or such individual.

## **7. Accounting Practices**

The Directors and Senior Managerial Personnel shall prepare and maintain the Company's accounts fairly and accurately in accordance with the accounting and financial reporting standards that represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business affairs.

All required information shall be accessible to the Company's Auditors, government agencies and other authorised parties. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documents and approval are strictly prohibited. There shall be no willful omissions of any Company transactions from the books and records.

## **8. Acceptance & offering of Gifts from/to clients / suppliers / distributors etc.**

The Directors and Senior Managerial Personnel should refrain from accepting/offering gifts that are intended to, or perceived to obtain business or uncompetitive favours for the conduct of the Company's business.

## **9. Role and functions of Independent Directors:**

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.

## **10. Duties of the Independent Directors**

The Independent Directors shall abide by the duties as laid down in Schedule IV of the Companies Act, 2013 including any subsequent modification/s from time to time, such as:

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) 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;
- j) 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;
- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) 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.

## **11. Compliance of the code**

All Directors and Senior Managerial Personnel shall affirm compliance with the code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director of the Company.

If any Director, Senior Managerial Personnel or employees to whom this Code is applicable, who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of conduct, he/she must immediately report the same to the Managing Directors of the Company. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue.

The Company's Board or any person designated by the board shall determine appropriate action in response to violations of this code of conduct.