



## **Lonsen Kiri Chemical Industries Limited**

**(CIN-U24114GJ2008PLC053537)**

***(Code of Business Conduct)***

*(As approved by the Board of Directors of the Company at its meeting held on 26<sup>th</sup> September, 2014)*

## **1. Introduction**

Lonsen Kiri Chemical Industries Limited ("**LKCIL**" / "**the Company**") is a professionally managed organisation and the core value underlying our corporate philosophy is "trusteeship". We believe this organisation has been handed to us by the various stakeholders (i.e. suppliers, customers, consumers and shareholders) in "trust" and we as professionals are the "trustees" of these stakeholders. It is therefore our responsibility to ensure that the organisation is managed in a manner that protects the interests of our stakeholders.

This Code of conduct of the Company is a written document that outlines company values, principles and guidelines in a variety of areas and enables the company to publicly state to its external stakeholders in which they intend to do business. All the Directors, Key Managerial Personals and every employee ("**the Management**") of the Company shall:

- 1.1 Endeavor to act in good faith, honestly, with due care, competence and diligence, responsibility, without misrepresenting material facts while dealing with the third parties and promote ethical and honest business behavior within the company;
- 1.2 Committed for conducting the business of the company in accordance with the applicable laws, rules & regulations and with highest standards of business ethics and Compliances.

## **2. Applicability**

This Code of Conduct and Ethics is applicable to Board of Directors ("**the Board**"), Key Managerial Personals and every employee of the Company.

## **3. Financial Reporting**

LKCIL shall prepare and maintain its books of accounts fairly and accurately and in accordance with the accounting and financial reporting standards applicable from time to time, which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall reflect, fairly and accurately, all of the company's business transactions and shall have internal controls to provide assurance to the company's board, shareholders and stakeholders that the transactions are accurate and legitimate. All required information shall be accessible to company auditors, other authorised parties and government agencies.

Any willful, material misrepresentation and / or misinformation on the financial statements and reports shall be regarded as a violation of the Code.

#### **4. Conflict of Interest**

The Management of the Company shall have the obligation to perform their duty in an honest and ethical manner and act in the best interest of the Company at all times.

**Some of the more common conflicts, which management must avoid, are mentioned herein under:**

- 4.1 Financial interest of an employee of the company or his relatives including shareholding in any company or a share in any firm which is an actual or potential competitor, supplier, customer, or other alliance partner of the company;
- 4.2 An employee of a the company conducting business on behalf of his company/firm or being in a position to influence a decision with regard to his company's/firm's business with a supplier or customer of which his relative is an officer or representative, resulting in a benefit directly or indirectly in any form to him or his relative.
- 4.3 Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of the company where such an individual is in a position to influence the decision with regard to such benefits.
- 4.4 Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the company.

They 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, any conflict or potential conflict must be disclosed to higher management for guidance and appropriate actions.

#### **5. Honest and Ethical Conducts**

The Management of the company shall deal on behalf of the company with professionalism, honesty and integrity, while performing their duty with high moral and ethical standards.

They shall preserve the human rights of every individual and the community, and shall strive to honor commitments while performing their duty in best interest of the Company.

They shall be responsible for the implementation and compliance of this Code. Failure to adhere to the Code could attract severe consequences, including termination of employment.

They also should not take unfair advantage through concealment of information which is ought to be disclosed, manipulation, confidential, trade secret information, misrepresentation of material facts or any other unfair practices.

#### **6. Compliances**

The Management of the Company must comply with all applicable laws, rules, regulations, notifications and circulars issued by the Government of India or Government of Gujarat or any other statutory/regulatory authorities from time to time and also update themselves for latest amendments issued by such authorities relating to performance of their duties and responsibilities.

The Management shall be committed to enhancing shareholder value and complying with all rules, regulations and laws that govern shareholder rights. The Board of the company shall duly and fairly inform its shareholders about all relevant aspects of the company's business and disclose information in accordance with relevant laws, rules and regulations.

### **7. Privacy and Secrecy**

All secret information like trade related & confidential information, buyer – seller information, strategic planning related information, commercial, technical, legal, marketing information that made are available or provided to the officers/employees of the Company and has obtained by them during performance of their duties and by virtue of his employment with the Company.

All officers/employee must maintain the high secrecy or confidentiality and not to disclose such confidential information to any supplier, customers, business associates of the Company that the company is bound to maintain secrecy, except when disclosure is authorized on account of operation of laws.

### **8. Protecting Company Assets**

The assets of the Company shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property etc.

### **9. Integrity of data furnished**

Every officer and employees of the company shall ensure, at all times, the integrity of data or information furnished by them to the company. They shall be entirely responsible in ensuring that the confidentiality of all data is retained and in no circumstance transferred to any outside person(s)/party (ies) in the course of normal operations without express guidelines from or, the approval of the management of the Company.

### **10. Safety, Health & Environment**

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 to fully demonstrate this commitment.

The safety & health of the employee and the protection of people and the environment are among the Company's most important factors. The Company strives for continuous improvement of its environmental, safety and health level by developing new and better products, processes and services with efficient use of energy and resources, minimization of environmental impact and waste generation, and safe disposal of residual wastes arising out of Manufacturing process of the Company.

### **11. Product & Services of the Company**

**LKCIL** strives for continuation of innovation of its products and better service to its customers to strengthen their competitiveness and performance pertaining to the industries in which the company is venturing. The Company recognizes that meeting its customers' needs is necessary for its long term growth and prosperities.

### **12. Concurrent Employment:**

The Management of the Company is expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity (unless disclosed to the Board of the Company) that interferes with their performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the interest of the Company. Our policies prohibit any employee from accepting simultaneous employment with a Company's supplier, customer or competitor, or from taking part in any activity that enhances or supports a competitor's position.

### **13. Non-Compliance of the Code**

Suspected violations of this Code must be reported to the Board of the Company. All reported violations would be appropriately investigated and actions to be taken against the suspects.

**14. Amendment**

The Board of the Company shall have the right to amend this Code from time to time without assigning any reason whatsoever.

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**Place: Ahmedabad  
Date: 26.09.2014**

**For Lonsen Kiri Chemical Industries Limited**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Manish Kiri</b>	<b>Shixin Luo</b>	<b>Wu Wenbo</b>
<b>Managing Director</b>	<b>Director</b>	<b>CFO</b>

**Sd/-  
Hemant Vyas  
COO**

**To,  
Lonsen Kiri Chemical Industries Limited**

- 1. Factory Add:** Plot No. 498, 500, 545, 577/B, 584/B, 585 to 589,  
Village: Dudhwada – 391450, Tal: Padra, Dist: Vadodara,  
Gujarat, India
- 2. Regd. Off:** 7<sup>th</sup> Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge,  
Ahmedabad – 380 006