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MADHUR KNIT CRAFTS LTD.

MANUFACTURERS & EXPORTERS OF ALL KINDS OF MINK BLANKETS, FABRICS

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

(Approved by Board of Directors at its meeting held on 12th June, 2025)

Address : Village Seerah, Sattowal Road, Rahon Road, Ludhiana 141007 Punjab

1. BACK GROUND

The Securities and Exchange Board of India (SEBI), on September 2, 2015, notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).

As per Regulation 17(5)(a) of the Regulations, Madhur Knit Crafts Limited (the “Company”) has adopted the code namely “Code of Conduct for Directors and Senior Management” (“the Code”) by passing a Board resolution on 12th June 2025. The Company has formulated the Code to ensure that the business of the Company is conducted in accordance with the applicable laws, the Regulations and with the highest standard of integrity, ethics and values.

2. APPLICABILITY

This Code shall be applicable to the following persons:

- Board of Directors.
- Senior Management Personnel.

The Directors both executive and non executive, are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies and procedures. The Board of Directors of the Company is entrusted with the fiduciary responsibility of oversight of the affairs of the Company. As Directors of the Company, they have a duty to make decisions and implement policies in the best interests of the Company and its stakeholders.

Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

3. DEFINITIONS

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:

- “Act” shall mean the Companies Act, 2013, rules framed there under and any amendments thereto.
- “Associate Company” shall have the same meaning as defined under sub-section (6) of Section 2 of the Act.
- “Board” shall mean Board of Directors of the Company, as constituted from time to time.
- “Body Corporate” shall have the same meaning as defined under sub-section (11) of Section 2 of the Act.
- “Compliance Officer” shall mean the Company Secretary under Section 203 of the Act and Regulation 6 of Regulations.
- “Directors” shall mean all Directors, including Independent Directors of the Company.
- “Independent Director” shall mean a Director as defined under sub-section (6) of Section 149 of the Act.
- “Key Managerial Personnel” shall have the same meaning as defined under sub-section (51) of Section 2 of the Act.

- “Relative” shall mean relative as defined under sub-section (77) of Section 2 of the Act, read with the Companies (Specification of definitions details) Rules, 2014.
- "Securities" shall mean the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.
- “Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the executive directors, including all functional heads.
- “Stock Exchange” shall mean the stock exchange where securities of the Company are listed.
- “Subsidiary” shall mean a subsidiary as defined under sub-section (87) of Section 2 of the Act.
- "Unpublished Price Sensitive Information" shall mean any information, relating to a Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following:
 - i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, delisting(s), disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel; and
 - vi. material events in accordance with the listing agreement.

All other words and expressions used but not defined in this Code but defined in the SEBI Act, 1992, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be

This Code is applicable to all the members of the Board of Directors and Senior Management of the Company and its Subsidiaries.

4. COMPLIANCE WITH APPLICABLE LAWS

The Directors and Senior Management shall comply with all applicable laws, rules, regulations and guidelines, in all areas and geographies where the Company operates, both in letter and spirit. It is therefore desirable that Directors and Senior Management acquire appropriate knowledge of the legal requirements relating to their roles and duties to enable them to be in compliance thereof and to recognize potential risks, and to know when to seek advice from the legal department.

5. CODE OF CONDUCT

The following are the code of Conduct adopted by the Company-

1. Every Director / Executive shall discharge his / her responsibilities at all times and in such manner so as to ensure that there is compliance with all the laws, rules, regulations as may be applicable to the company or to the transaction or to the person.

2. Every Director / Executive shall avoid being in situations that give rise to conflict between the personal interests of the person and the interest of the Company. Where such a situation is not avoidable, the person shall disclose the matter in writing to his /her superior and in the case of any Director; such disclosure should be made to the Board.
3. Every Director / Executive shall discharge his / her responsibilities at all times and in such manner so as to ensure there is full and fair disclosure as required by law, in the accounts maintained and presented by the company.
4. Every Director / Executive shall treat any data or information of the Company which has not been published or disclosed previously as confidential information and shall not disclose or transmit the same to any person who is not an employee or Director of the Company, without permission of his/her superior or the Chairman of the Board, unless such disclosure is as per the requirements of any law, or any lawful agreement to which the company is a party.
5. Every Director / Executive shall strictly adhere to the policy of the company.
6. Every Director / Executive shall at all time ensure proper use of Company's funds, assets and property.
7. No Director / Executive shall knowingly suppress from the company a material fact, which can be detrimental to the interest of the Company.
8. Every Director / Executive shall ensure maintenance of a healthy and safe work environment in the company.
9. Every Director / Executive shall avoid discrimination and harassment in any form, on the basis of race, religion and gender.
10. Every Director / Executive shall adhere to fair and lawful competitive practices pertaining to the operations of the company.
11. Every Director / Executive must ensure that he / she does not exploit opportunities arising out of the place of work or in course of work, for personal gain.
12. Every Director / Executive shall ensure that no political contribution is made whether directly or indirectly on behalf of the Company, without permission of the Board of the Company.
13. Every Director / Executive shall ensure that no statement is given to the press or any other form of media without due authorization by the person's superior or the Vice Chairman or the Board of the Company.
14. Every Director / Executive must at all times ensure to conduct him / her, so as to give respect to human beings and human values.

Guidelines of professional conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013)

Guidelines for Professional conduct

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise their responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention towards your professional obligations for informed and balanced decision making;

5. To not allow any extraneous considerations that will vitiate their 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. To not abuse their 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. To refrain from any action that would lead to loss of their independence;
8. Where circumstances arise which make an independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

Role and Functions

1. Assist 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 with respect to agreed goals and objectives and monitor the reporting of performance.
4. Satisfy yourself on the integrity of financial information and that financial controls and 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

Duties:

1. Undertake appropriate induction and regularly update and refresh your 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 including a Separate meeting of the independent director and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Company.
6. Where you 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 your concerns are recorded in the minutes of the Board meeting.

7. Keep yourself 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 yourself 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 your 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.

However in case of any person serving on the Board of the Company as a nominee of any institution or organization, this code shall apply to such person during his / her tenure as Director of the Company, subject to anything contained herein which is repugnant to the Code of Conduct or the service rules of the institution or organisation who have appointed such persons as its nominee on the Board.

6. 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.

7. COMPLIANCE OFFICER

The Company Secretary shall act as a Compliance Officer and shall monitor compliance with the Chairman and Managing Director of the Company..

8. PUBLICATION OF THE CODE

This Code and any amendments thereto shall be published / posted on the website of the Company i.e. www.siddhika.com.