

# CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

## 1. INTRODUCTION:

A Code of Conduct applicable to members of the Board and Senior Management of Stalwart People Services India Limited is prepared in accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Code is a guidance to help Directors on the Board & Senior Management team of the Company to live up to Company's ethical standards. The rules and principles set forth in this Code are general in nature and the compliance with the Code shall be ensured read with other applicable policies and procedures of the Company.

This Code of Conduct is effective from the date of the Company's Equity shares are listed.

## 2. DEFINITIONS:

- i. **Board of Directors (Board)**: The governing body of the Company as constituted from time to time;
- ii. **“Senior Management”**: Shall mean as defined in SEBI (LODR) Regulations, 2015;
- iii. **“Company”** shall mean Stalwart People Services Limited.
- iv. **“Stakeholder”** includes, but is not limited to, shareholders, employees, customers, suppliers, creditors, government authorities and the community;
- v. **“Conflict of Interest”** shall mean a situation in which the personal interests of the Director or a member of the Senior Management are, or could appear to be, in conflict with the Company;



**People Services India Limited**



- vi. **“Confidential Information”** shall mean any information concerning the Company, its business, customers, suppliers, or any other person or entity with whom the company has a business relationship, which is not in the public domain and has been acquired by reason of the position held in the Company.

### 3. OBJECTIVE:

The company's objective in establishing this "Code of Conduct" is to promote ethics, honesty and professionalism within the company. The matters covered in the Code are of utmost importance to the Company, its shareholders and other stakeholders and are essential so that it can conduct business in accordance with ethical values to which it is strongly committed. Officers are expected to read and understand this code, uphold these standards in day to day activities and comply with all the policies and procedures.

### 4. APPLICABILITY:

The Code is applicable to the following persons,

- 1) Board of Directors
- 2) Senior Management of the company as defined in SEBI (LODR) Regulations, 2015

It is clarified that the Directors and Officers should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

All Directors and Officers shall affirm compliance with this Code on an annual basis. The Board Members and Senior Management shall affirm compliance with this Code on an annual basis as at the end of each financial year of the Company (as per Confirmation-I).

This Code of Conduct shall be deemed to include, by reference, the Code of Conduct for Independent Directors under the Companies Act, 2013 (Schedule IV read with section 149(8) thereof). The provisions contained therein, shall apply mutatis mutandis to the Board of Directors.

## 5. KEY REQUIREMENTS:

The Board Members and the Senior Management must act within the authority conferred upon them and in the best interests of the Company and observe the following code of conduct

### a. HONEST AND ETHICAL CONDUCT:

The Company is committed to uphold ethical standards in all of its corporate and business activities. All the Directors and Senior Management are expected to display professional skills and act in accordance with the highest standards of personal and professional integrity, honesty, truthfulness and ethical approach and conduct in all business dealings.

Honest conduct is conduct which is fair, in good faith, responsible and done with due care, competence and diligence and which is free from fraud or deception. Ethical conduct is conduct which conforms to the accepted professional standards of conduct and includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

### b. CONFLICT OF INTEREST:

The Directors and Senior Management are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the company's business interests. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

The guiding principle is that any event, activity or situation involving conflict or potential conflict of interest must be disclosed to the Board of Directors for guidance and appropriate action.

**c. OUTSIDE EMPLOYMENT:**

Executives Directors and Senior Management personnel shall not work for or receive payments for services from any competitor, customer, distributor, or supplier without the approval of the Board. Any outside activity must be strictly separated from employment and should not harm job performance of the company. The Executive Directors and the Senior Management personnel shall devote themselves exclusively to the business of the company and shall not accept any other work or assignment (part time or otherwise).

**d. BUSINESS OPPORTUNITIES:**

A business opportunity is an opportunity in the company's line of business or proposed expansion or diversification, which the company is financially able to undertake and which may be in the interest of the company.

An Officer who had discovered such a business opportunity and who wishes to participate in it should disclose the opportunity in writing to the Board of Directors. If the Board of Directors determines that the company does not have an actual or expected interest in the opportunity, then, and only then, Officer may participate in it, provided that the Officer has not wrongfully utilized the Company's resources in order to acquire the opportunity.

**e. COMPANY PROPERTIES:**

It is the responsibility of Directors and Senior Management to safeguard the use of the company's assets and resources that have been entrusted to them by the company. Incidental personal use, if reasonable does not amount to a violation of the code.



**People Services India Limited**



#### **f. ACCEPTANCE OF GIFTS/ PAYMENTS:**

The Directors and Officers shall not accept lavish gifts or gratuities or any offer, payment, promise to pay, or authorization to pay any money or anything of value that could be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another Company's name, business meals, gifts received because of personal relationships and not because of official position; mementos received because of attending a widely held gathering as panelist /speaker and other customary gifts are allowed.

Gifts on behalf of the Company: Some business situations call for giving gifts. These gifts shall be legal, and reasonable. Directors and Senior Management personnel shall not pay bribes.

#### **g. CONFIDENTIALITY OF INFORMATION:**

All Directors and Senior Management must maintain the confidentiality of confidential information entrusted to them by the company. The use of such information for his or her own advantage or profit is prohibited. Such information shall not be disclosed to any third party, except when the company authorizes disclosure or when such disclosure is needed under any legal requirement.

#### **h. INSIDER TRADING:**

Non-public information, which may influence the market price of the company shares, shall be kept in strict confidence until publicly released in accordance with applicable legal requirements and stock exchange regulations. The Directors and Senior Management shall not derive personal benefit or assist others to derive benefit from the access to and possession of information about the company not in public domain and which can constitute insider information.



**People Services India Limited**



The company is committed in complying with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Directors and Senior Management shall refer to the Policy on Insider Trading issued by the company in this regard for further information on pre-clearance of securities, reporting of securities and matters concerning dealing in securities of the company to reduce the risk or appearance of insider trading.

#### **i. ANNUAL COMPLIANCE REPORTING**

The Board Members and Senior Management shall affirm annually in compliance with this Code as per the format enclosed as Annexure -1 to this Code and sign a confirmation to that effect.

#### **j. CODE FOR INDEPENDENT DIRECTORS**

The Independent Directors, in addition to compliance with this Code, shall also comply with and adhere to the Code for Independent Directors framed in accordance with the Schedule IV of the Companies Act, 2013 and forming part of this Code and enclosed as “Annexure – II”.

### **6. DISCIPLINARY ACTIONS FOR VIOLATION OF THE CODE:**

Suspected violations of this Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated.

The company will take appropriate action including disciplinary actions against any Officer. Disciplinary actions may include immediate termination of employment or business relationship at the company's sole discretion. Where the company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. The Board of Directors are empowered to give waiver of the conditions of the code in special circumstances.

## 7. AMENDMENTS TO THE CODE:

The company is committed to continuously reviewing and updating the policies and procedures from time to time and accordingly, this Code can be modified, amended or waived of any of the provisions thereof. However, any such modification, alteration, replacement or waiver may be affected only by way of passing a resolution at the meeting of the Board of Directors of the Company and the details of the same shall be put on the website immediately upon such amendment. This Policy will be reviewed periodically by the Board and amended as appropriate.

ANNEXURE-I

ANNUAL CONFIRMATION

Date:

To The Board of Directors

Stalwart People service India Limited

Door No 34 Thiyagaraya Gramani Street, T Nagar,

Chennai, Tamil Nadu – 600017.

Dear Sirs,

Sub: Confirmation of compliance with the Code of Conduct for Board and Senior Management as per Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

I, (Name of Director/ Senior Management Personnel), (Designation) of Craftsman Automation Limited, do hereby confirm that I have read and understood the Code of Conduct applicable to the Board of Directors and Senior Management of the Company and that to the best of my knowledge and belief, I have complied with the requirements of this Code during the preceding financial year (mention previous year) and / or I affirm that I will comply with the requirements of this Code during the current financial year (mention current year).

Signature:

Name:

Designation:

Date:

Place:

## ANNEXURE II

### CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

This Code is a guide to professional conduct for Independent Directors and the Independent Directors are expected to adhere to these standards and fulfill their responsibilities in a professional and faithful manner.

This Code shall form part of the Code of Conduct for Board of Directors and Senior Management.

#### I. Guidelines of professional conduct

The Independent Directors are expected to adhere to the following guidelines/ standards while conducting their professional duty.

1. Independent Directors shall uphold ethical standards of integrity and probity in the interests of the Company;
2. They shall act objectively and constructively while exercising their duties;
3. They shall exercise their responsibilities in a bona fide manner in the interest of the Company;
4. They shall devote sufficient time and attention to their professional obligations for informed and balanced decision making;
5. They shall 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. They shall 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. They shall refrain from any action that would lead to loss of their independence;
8. They shall immediately inform the Board where circumstances arise which make them lose their independence;
9. They shall assist the Company in implementing the best corporate governance practices.

## II. Role and functions

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. They shall bring an objective view in the evaluation of the performance of the Board and management;
3. They shall scrutinise the performance of management in achieving agreed goals and objectives and monitor the reporting of performance;
4. They shall satisfy themselves on the integrity of financial information, and that the financial controls and the systems of risk management are robust and defensible;
5. They shall safeguard the interests of all stakeholders, particularly the minority shareholders;
6. They shall balance the conflicting interests of the stakeholders;
7. They shall 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. They shall moderate and arbitrate in the interest of the Company as a whole in situations of conflict between management and shareholders' interests.

## III. Duties:

1. The independent directors shall undergo appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;



**People Services India Limited**



2. They shall 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. They shall strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;
4. They shall participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. They shall strive to attend the general meetings of the Company;
6. Where they have concerns about the running of the Company or a proposed action, they shall ensure that these are addressed by the Board and, to the extent that they are not resolved, they shall insist that their concerns are recorded in the minutes of the Board meeting;
7. They shall keep themselves well informed about the Company and the external environment in which it operates;
8. They shall not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. They shall 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. They shall ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. They shall report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
12. They shall, while acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. They shall 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

#### IV. MANNER OF APPOINTMENT:

1. Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out :
  - a. the term of appointment;
  - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d. provision for Directors and Officers (D and O) insurance, if any;
  - e. the Code of Business Ethics that the company expects its Directors and employees to follow;
  - f. the list of actions that a director should not do while functioning as such in the company; and
  - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.

6. The terms and conditions of appointment of independent Directors shall also be posted on the company's website

**V. RE-APPOINTMENT:**

The re-appointment of an independent director shall be on the basis of the report of performance evaluation.

**VI. RESIGNATION OR REMOVAL:**

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within 3 ["three months"] from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply

**VII. SEPARATE MEETINGS:**

1. The independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent Directors and members of management;
2. All the independent Directors of the company shall strive to be present at such meeting;
3. The meeting shall:
  - a. review the performance of non-independent Directors and the Board as a whole;
  - b. review the performance of the Chairperson of the company, taking into account the views of executive Directors and nonexecutive Directors;
  - c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. EVALUATION MECHANISM:**

1. The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

\*\*\*\*\*