

APM Finvest Limited

Corporate Office: 910, Chiranjiv Tower-43, Nehru Place, New Delhi-110019
Phone: (011) 26441015-17, **Fax:** (011) 26441018, **Email:** apmfinvestltd@gmail.com
CIN No.: L65990RJ2016PLC054921, **Website:** www.apmfinvest.com

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

This Code of Conduct highlights the standards of conduct expected from the Company's Directors and Senior Management so as to align these with the Company's Vision, Promise and Values.

OBJECTIVES

This Code has been drawn up in accordance with the Corporate Governance requirements as per Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The objectives of the Code are:

- To conduct the business of the Company with integrity, fairness and transparency.
- To meet the expectations of statutory and regulatory authorities, and progressively enhance the scope of this Code to align the conduct with the expectations of shareholders, other stakeholders and the society at large.

APPLICABILITY

After listing, this Code has been first time adopted by Board of Directors and approved at its meeting held on June 20, 2019 and shall apply to all the Directors and Senior Management of APM Finvest Limited (AFL).

Senior Management means all Executives as specified by the Board from time to time.

HONEST AND ETHICAL CONDUCT

(a) Compliance with the Law:- The Directors and Senior Management must exhibit their total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.

(b) Fair and Transparent Conduct:- The Directors and Senior Management are expected to act in accordance with the highest standards of personal and professional integrity, independence, honesty and ethical conduct including use of utmost care and sound judgment in good faith in business decision making.

Business must be done by lawful, ethical and fair means and must bring about a reputation of ethical business dealings by the Company. There shall be no room for discrimination, harassment, retaliation or any form of corruption and/or conduct that is likely to bring discredit to the Company.

CONFLICT OF INTEREST

If an individual's personal interest interferes with the interests of the Company, a 'conflict of interest' arises. A conflict of interest has the effect of influencing or distorting business decisions by reason of individual, family, financial or other interests. In such a situation the Directors/Senior Management must promptly disclose the details to the Board of Directors.

Monetary transactions between the Company and a Director and/or their related parties shall be brought to the knowledge of the Board.

The Directors / Senior Management should not appropriate corporate business opportunities for themselves or use Company information for personal gain.

Senior Management shall disclose to the Board all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

CONFIDENTIALITY INFORMATION

The confidential and proprietary information of the Company is its valuable asset. It is the duty of the Directors and Senior Management to protect confidentiality and to introduce effective checks for this purpose.

The Directors/Senior Management are expected to handle confidential information discreetly. Such information should be used only for the purpose of business of the Company. This obligation continues even after leaving the directorship/employment of AFL.

They are also expected to keep similar confidential information received from third parties under conditions of confidentiality. The Directors and Senior Management shall execute an Oath of Secrecy in the prescribed format.

EXTERNAL COMMUNICATION WITH MEDIA AND INVESTORS

To maintain and retain AFL's reputation and to ensure that information to media / investors is accurate and properly presented, only the Chairman or the designated representatives would give interviews or make statements to media / investors. Any other Director / Senior Management receiving requests for information from media, investors (analysts, fund managers, brokers) or any external agency, should refer to Corporate Communications who would consult Chairman before authorizing the Director / Senior Management to reply to such requests. The Directors / Senior Management should take the update from Corporate Communications before interaction with media / investors / any other external agencies.

PROTECTION AND PROPER USE OF COMPANY ASSETS

The Directors and Senior Management should protect the Company's assets and ensure their efficient use. All company assets should be used only for legitimate business purposes.

The responsibilities of the Directors/Senior Management extend to:

(a) The Fiduciary Responsibility:- This includes, protecting the Company's assets, maintaining and managing the Company's records, ensuring true, fair and accurate accounting of all transactions, fair use of the Company's funds, reducing waste/emissions, providing a safe environment for the employees and safeguarding the intellectual property assets.

(b) Transparency:- For good corporate governance ensure (i) Compliances with law (ii) Strict adherence to Accounting policies, (iii) Integrity in communication (timely, accurate reporting) and (iv) Providing the internal and statutory Auditors and the Audit Committee, full access to all information and records of the Company.

PROHIBITION OF INSIDER TRADING

Every Director and member of Senior Management and their relatives as defined in **APM Finvest Limited - Insider Trading Code**, shall comply with the Insider Trading Code.

DEALING WITH OUTSIDERS

(a) With competitors, industrial espionage:-Contacts / associating with competitors should be limited to legitimate purposes, including, membership of a trade association etc. Utilizing an association such as this for the purpose of stealing / seeking business information, gaining employee information, planning price cartels, etc should be against the Company's mission.

(b) Gifts and Entertainment:- Though business gifts and entertainment are customary, they need to be viewed with caution. Occasionally, the directors and senior management may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events.

However, when an inducement is directly or indirectly made so as to influence a business decision, it must be guarded against.

ANNUAL AFFIRMATION

The Directors and Senior Management shall affirm compliance with the Code as on 31st March of each year. This affirmation shall be given as per the enclosed format.

PENALTY FOR BREACH

The Directors and Senior Management are accountable for full compliance with this Code of Conduct. Sanctions for breach of this Code shall be determined by the Board of Directors in case of Directors and by the Chairman in case of Senior Management. Sanctions may include disciplinary action, removal from office as well as other remedies, deemed appropriate and permitted by law.

Any significant breach of the Code must be notified to the Board of Directors and the Chairman, as the case may be, who will in turn report it to the AFL's Board of Directors on the Code's operation and effectiveness along with any significant breach of the Code.

PROVISION APPLICABLE TO INDEPENDENT DIRECTORS

In addition to the provisions contained in this Code, following shall also be applicable to Independent Directors (IDs) of the Company:

(a) Disclosures:-Every ID shall at the first meeting of Board in which he participates as a Director and thereafter at the first meeting of Board in every financial year or wherever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he/she meets the criteria provided in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence.

(b) Code for Independent Directors:- All IDs shall act in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Schedule IV of the Companies Act, 2013 ('Code for Independent Directors') stipulates detailed functions, duties and guidelines for professional conduct of IDs. A copy of the said Code is enclosed as **Annexure-A**.

INTERPRETATION

Any question relating to how this Code should be interpreted or applied should be addressed to the Compliance Officer (the Company Secretary).

This Code has also been posted on the Website of the Company www.apmfinvest.com

IMPROVEMENTS

This Code of Conduct is intended to be a living document. Suggestions for improving the Code may be sent by the Directors / Senior Management to the Company Secretary.

REVIEW / AMENDMENT

The Board of Directors of the Company ("Board") may amend, abrogate, modify or revise any or all clauses of this Code.

This Policy was first time adopted after listing and approved by the Board of Directors at its meeting held on June 20, 2019 and this Policy shall take effect immediately.

FORMAT OF COMPLIANCE WITH CODE OF CONDUCT

To,

The Board of Directors
APM Finvest Limited
SP-147, RIICO Industrial Area,
Bhiwadi, Rajasthan-301019

Sub: Compliance with 'Code of Conduct for Directors and Senior Management Personnel'

Pursuant to the provisions of Regulation 26 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby affirm my compliance with the 'Code of Conduct for Directors and Senior Management Personnel' of APM Finvest Limited for the financial year ended March 31,

.....

Signature

Name:.....

Designation:

Date:

Place:

OATH OF SECRECY

I,, son of, resident of....., being a director/senior executive of APM Finvest Limited, hereby solemnly affirm that in terms of the Code of Conduct for Directors and Senior Management of APM Finvest Limited:

1. I shall use the confidential information of the Company only for the purpose of the business of the Company.
2. shall not at any time, use the confidential information for my personal gains.
3. I shall at all times, during my directorship/employment and also thereafter, protect the confidentiality of the confidential and proprietary information of the Company, which it was my privilege to know by reason of my position in the Company.

This affirmation shall not however extend to any information which:

- (a) is already in the public domain; or
- (b) subsequently comes into the public domain; or
- (c) is already in my lawful possession / subsequently comes lawfully into my possession; or
- (d) is required to be disclosed by law, regulation or any governmental or competent regulatory authority.

.....

Signature

Name:.....

Designation:

Date:

Place:

SCHEDULE IV
[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

I. GUIDELINES FOR PROFESSIONAL CONDUCT

An Independent Director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the Company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his 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) not abuse his 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) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. ROLES 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) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise 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.

III. DUTIES

The independent directors shall-

- (1) undertake appropriate induction and regularly update and refresh their 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 of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) 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;
- (7) keep themselves 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 themselves 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within their 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.

VI. 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 independent director shall be on the basis of 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 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. SEPRATE 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 non-executive 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.