



CODE OF CONDUCT FOR COMPANY, BOARD OF DIRECTORS AND EMPLOYEES OF THE COMPANY

Introduction

The Code of conduct for the company, Board of Directors and its employees is an essential step towards ensuring better business ethics and practices. They should be not only beneficial to the company and its employees, but more so to the customers, and the nation. This Code will help fulfill their duties effectively.

Financial reporting and records

The company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws, and regulations of the country.

Internal accounting and audit procedures fairly and accurately reflect the company's business transactions and disposition of assets. All required information is accessible to company auditors and other authorized parties and government agencies. There should be no willful omissions of any company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of this code, apart from inviting appropriate civil or criminal action under relevant laws.

Competition

As per the Code, the compliant company shall fully strive for the establishment and support of a competitive, open market economy in India and abroad. It will also cooperate in efforts to promote the progressive and judicious liberalization of trade and investment by a country. Under no circumstances shall the company engage in activities that generate or support the formation of monopolies, dominant market positions, cartels, and other unfair trade practices.

More importantly, the company shall market its products and services on its own merits. It shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

Equal Opportunities Employer

There are strict guidelines for the benefit of the employees of the company as well. Equal opportunities should be given to all its employees and all qualified applicants for employment, irrespective of their race, caste, religion, color, ancestry, marital

status, sex, age, nationality, and disability. They should also be treated with dignity and in accordance with the policy of maintaining a work environment free of sexual harassment, whether physical, verbal, or psychological.

Employee policies and practices shall be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and that decisions are based on merit.

Gifts & Donations

It is imperative that the company and its employees shall neither receive nor offer any illegal payments, remuneration, gifts, donations, or comparable benefits either directly or indirectly, which are intended for business or uncompetitive favors for the conduct of its business. However, the company and its employees may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events.

Government Agencies

No offer or gift of any company funds or property as donation shall be made by the company to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favorable performance of official duties.

Political Non-alignment

The company shall be committed to and will support a functioning democratic constitution and system with a transparent and fair electoral system in India. It shall not support, directly or indirectly, any specific political party or candidate for political office. The company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

Health, Safety & Environment

Safe and healthy working conditions shall be provided by the company to its employees. Moreover, while conducting its business affairs, the company shall comply with all regulations regarding preservation of the environment of the territory it operates in. It shall also prevent wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

Quality of Products & Services

The company shall supply goods and services of the highest quality & standards, backed by efficient after-sales service consistent with customer requirements to ensure total satisfaction. The quality standards of the company's goods and services should meet the required national standards & should endeavor to achieve international standards.

Corporate Citizenship

The company shall also strive to be a good corporate citizen, not only in compliance with all relevant laws and regulations, but also by actively assisting in the

improvement of the quality of life of the people in the communities in which it operates, with the objective of making them self-reliant.

It shall understand its social responsibilities such as initiating and supporting initiatives in the field of community health and family welfare, water management, vocational training, education & literacy, and encouraging the application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national & regional priorities.

These social responsibilities are mandatory and the company shall be committed to incorporate them as an integral part of its business plan. The company shall also encourage volunteering among its employees and help them to work in the community.

Ethical Conduct

All employees of the company, including whole-time directors & the Managing Director, shall deal on behalf of the company with professionalism, honesty, and integrity. They shall uphold high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

Regulatory Compliance

It is imperative that every employee of the company shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the code, then the standards of the code shall prevail.

Concurrent Employment

Any employee of the company shall not, without the prior approval of the Managing Director of the company, accept employment or a position of responsibility such as a consultant or a director with any other company. He/she shall not even provide 'freelance' services to anyone. In the case of a whole-time director or the Managing Director, prior approval must be obtained for providing such services from the board of directors of the company.

Conflict Of Interest

As per the code, no employee of the company shall engage in any business, relationship or activity which might detrimentally conflict with the interest of his/her company or the Group. A conflict of interest, actual or potential, may arise where, directly or indirectly in situations such as:

- an employee of the company engages in a business, relationship or activity with anyone who is party to a transaction with his or her company;
- an employee is in a position to derive a personal benefit or a benefit to any of his or her relatives by making or influencing decisions relating to any transaction;
- an independent judgment of the company's or Group's best interest cannot be exercised.

These actual or potential conflicts of interest would include areas such as:

- Financial interest of an employee of the company or his relatives, including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of the company. (The ownership of up to 1 per cent of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)
- An employee of the company conducting business on behalf of his or her company, or being in a position to influence a decision with regard to his or her company's business with a supplier or customer of which his or her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative.
- 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.
- 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.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the company's management. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his or her company.

Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his or her immediate superior, who shall forward the information along with comments to the person designated for this purpose by the MD/Director, who in turn will place it before the MD/Director and/or the board of directors/executive committee appointed by the board and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If an employee fails to make a disclosure as required herein, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management shall take a serious view of the matter and consider suitable disciplinary action against the employee.

Securities Transactions And Confidential Information

The Code lays strict guidelines regarding the securities transactions and confidential information of the company. An employee of the company and his or her immediate family shall not derive any benefit or assist others to derive any benefit from access to and possession of information about the company or the Group, which is not in the public domain and thus constitutes insider information.

The Code also prohibits an employee of the company from using or proliferating information which is not available to the investing 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.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of this code, apart from inviting appropriate civil or criminal action under the relevant laws.

Such insider information might include the following:

- acquisition and divestiture of businesses or business units; financial information such as profits, earnings and dividends;
- announcement of new product introductions or developments;
- asset revaluations;
- investment decisions/plans;
- restructuring plans;
- major supply and delivery agreements;
- raising finances.

Protecting Company Assets

A lot of importance has been laid on the protection of both the tangible and intangible assets of the company. The tangible assets include equipment and machinery, systems, facilities, materials and resources. The intangible assets are proprietary information, relationships customers and suppliers, etc. The assets of the company shall not be misused but shall be employed for the purpose of conducting the business for which they are duly authorized.

Citizenship

In his/her private life, an employee of the company can pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the company or the Group.

Integrity of data furnished

Employees of the company shall ensure the integrity of data or information furnished by them.

Reporting Concerns

It is expected that the employees of the company shall promptly report to the management any actual or possible violation of this code, or an event that could affect the business or reputation.