

ENGINEERING PROJECTS (INDIA) LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

1. Introduction

- 1.1 This Code shall be called “The Code of Business Conduct & Ethics for Board Members and Senior Management” of **Engineering Projects (India) Limited** (hereinafter referred to as “the Company” or “EPI”)
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.
- 1.3 This Code for Board Members and Senior Management has been framed specially in compliance of the provisions Guidelines of DPE.
- 1.4 It shall come into force with effect from the November 1st 2007

2. Definitions and Interpretations

- 2.1 The term “Board Members” shall mean Directors on the Board of Directors of the Company
- 2.2 The term “Whole-time Directors” or “Functional Directors” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the company
- 2.3 The term “Part-time Directors” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company
- 2.4 The term “Relative” shall have the same meaning as defined in Section 6 of the Companies Act, 1956.

2.5 The term “Senior Management” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management two level below the Whole time Directors, including all functional heads

2.6 The term “the Company” shall mean **Engineering Projects (India) Limited**

Note: In this Code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa

3.0 Applicability

3.1 This code shall be applicable to the following personnel

- a) All Whole-time Directors including the Chairman & Managing Director of the Company
- b) All Part-time Directors including Independent Directors under the provisions of law.
- c) Senior Management

Note: The Whole-time Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company

4.0 Contents of Code

Part I General Moral Imperatives

Part II Specific Professional Responsibilities

Part III Specific Additional Provisions for Board Members and Senior Management

This code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards it is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final

PART – I

5.0 General Moral Imperatives

5.1 Contribute to society and human well being

5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

5.1.2 Therefore, all Board Members and Senior Management who are accountable for the design, development, manufacture and promotions of company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.2 Be honest and trustworthy & practice integrity

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.2.2 All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Public Enterprise

5.3 Be fair and take action not to discriminate

5.3.1 The value of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4 Honour confidentiality

5.4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

5.4.2 All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the EPI.

5.5 Pledge & Practice

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour

PART - II

6.0 Specific Professional Responsibilities

6.1 Live the Vision, Mission and Values of EPI – each day

Live the Vision, Mission and Values of EPI each day. They are as under:

Vision

To be the benchmark for the Construction Industry

Mission

To be a lead player in the field of Project and Construction Management

Objectives

- i) To achieve accelerated growth in the operation of the Company
- ii) To Improve profitability of the company so as to strengthen financial self sufficiency
- iii) To enhance company's productivity competitiveness and customer satisfaction in the changing market environment by using Modern Management and Construction techniques

Values

Zeal to excel and zest for change
Integrity and fairness in all matters
Respect for dignity and potential of individuals
Strict adherence to commitments
Ensure speed of response
Foster learning, creativity and team-work
Loyalty and pride in the EPIL

- 6.2. Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work:-** Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work
- 6.3. Acquire and maintain professional competence:-** Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards
- 6.4 Compliance with Laws:-** The Board Members and Senior Management of the EPI shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the EPI.
- 6.5 Accept and provide appropriate professional review:** Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

- 6.6 Manage personnel and resources to enhance the quality of working life**:- Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the EPI by providing them all necessary assistance and cooperation, thus enhancing the quality of working.
- 6.7 Be upright and avoid any inducements**:- The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc.
- 6.8 Observe Corporate Discipline**:- The flow of communication within the EPI is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.
- 6.9 Conduct in a manner that reflects credit to the Company**:-All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behavior has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

- 6.10 Be accountable to Company's stakeholders**:-All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.
- 6.11 Identify, mitigate and manage business risks**:- It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives
- 6.12 Protect properties of the Company**:- The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

PART – III

7.0 Specific Additional Provisions for Board Members and Senior Management

7.1 As Board Members and Senior Management:- They shall undertake to actively participate in the meetings of the Board and Committees on which they serve

7.2 As Board Members

7.2.1 Undertake to inform the Chairman and Managing Director/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/ circumstances / conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgment of the Board as to whether they meet the independence requirements of the Guidelines of DPE.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

-Related Party Transactions: Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

-Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.

-Consultancy/Business/Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.

-Use of Official position for personal gains: Should not use their official position for personal gains.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the organisation

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by

the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.4 Miscellaneous Points

7.4.1 Continual updation of Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modifications shall take effect prospectively from the date stated therein.

7.4.2 Where to seek clarifications

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact Director (Finance)/ Company Secretary/ any officer specifically designated by the Board of Directors.

7.4.3 Acknowledgement of Receipt of the Code

All Board Members shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at Appendix-II and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.

7.4.4 Annual Compliance Reporting

All Board Members shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman & Managing Director. A Performa of Annual Compliance Report is at Appendix-II. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director/Senior Management Personnel leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with EPI.

EXTRACTS FROM THE COMPANIES ACT, 1956

Section 2 (41) “relative” means, with reference to any person, any one who is related to such person any of the ways specified in section 6, and no others;

Section 6. Meaning of “relative”

A person shall be deemed to be a relative of another, if, and only if, -

- (a) they are members of a Hindu undivided family; or
- (b) they are husband and wife; or
- (c) the one is related to the other in the manner indicated in Schedule 1 A.

(SCHEDULE 1 A) (See section 6 (c))

List of Relatives

1. Father
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter (including step-daughter)
6. Father's father
7. Father's mother
8. Mother's mother
9. Mother's father
10. Son's son
11. Son's Son's wife
12. Son's daughter
13. Son's daughter's husband
14. Daughter's husband
15. Daughter's son
16. Daughter's son's wife
17. Daughter's daughter
18. Daughter's daughter's husband
19. Brother (including step-brother)
20. Brother's wife
21. Sister (including step-sister)
22. Sister's husband

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management of Engineering Projects (India) Ltd, I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the EPI or the legal and regulatory requirements applicable to my job, I know I can consult Director (F) or Dy. Company Secretary of the EPI knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

Signature _____

Name _____

Designation _____

Employment Number _____

Telephone No. _____

Place:

Date:

AFFIRMATION

(By Board Members/ Senior Management of the Company on Annual basis by 30th April of every year)

I,.....(name),.....(designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March

Signature _____

Name _____

Designation _____

Employment Number _____

Telephone No. _____

Place:

Date :