



**Punj Lloyd**

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

**PUNJ LLOYD LIMITED**



## 1) PREAMBLE

- 1.1 This Code of Conduct (the **Code**) for all members of the Board and Senior Management Personnel of Punj Lloyd Limited (the **Company**) is in alignment with the Company's vision and values and aims at enhancing ethical and transparent processes in managing the affairs of the Company.
- 1.2 The Code has been drafted specifically in accordance with the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, respectively.
- 1.3 The Policy will come into force with effect from the day immediately following the day on which the shares of the Company are admitted for trading on either of the Bombay Stock Exchange (BSE) or the National Stock Exchange (NSE) except for Clause 5, which shall come into force with effect from October 1, 2014.

## 2) DEFINITIONS AND INTERPRETATION

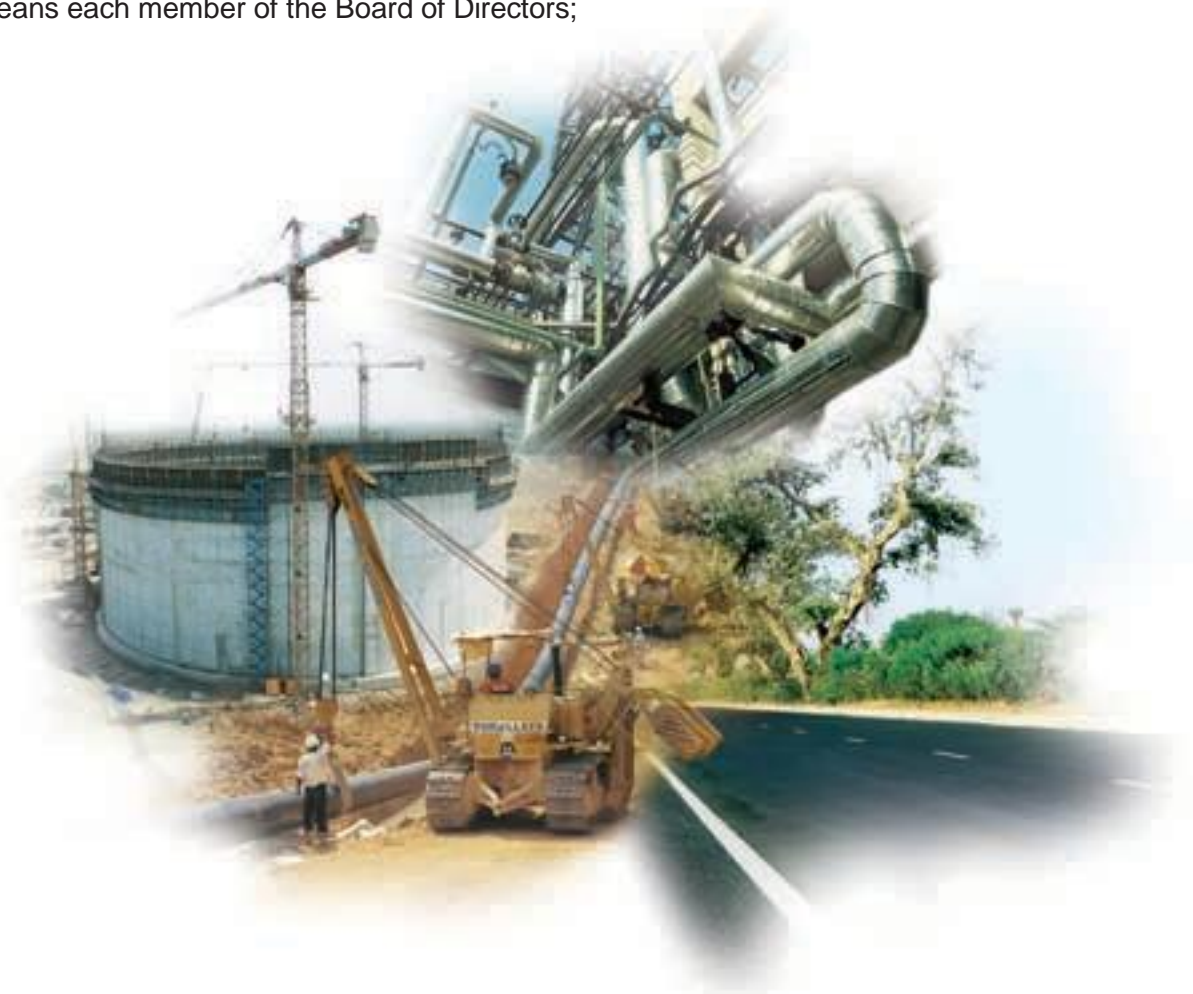
### 2.1 Definitions

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

**Board or Board of Directors** means the Board of Directors of the Company;

**Conflict of Interest** means a conflict or a difference between the interests or benefits of one person or entity with that of the Company;

**Director** means each member of the Board of Directors;



**Governmental Authority** means the government of any nation, state, city, locality or other political subdivision thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

**Orders** means any judgment, injunction, writ, award, decree or order of any nature of any Governmental Authority or competent court or tribunal;

**Relative** shall have the meaning given to it in the Companies Act, 1956, as amended;

**Senior Management Personnel** means

- (a) all Directors;
- (b) all employees of the rank of General Manager and above of the Company including those on secondment to Subsidiaries/JVs;
- (c) all employees of the rank of Manager and above in the Finance and Accounts, Secretarial and Internal Audit function/department and
- (d) any other employee of the Company designated by the Board of Directors from time to time;

**Superior** means an officer of the Company to whom another officer of the Company reports.

## 2.2 Interpretation

- (a) Terms used but not defined herein shall have the meaning assigned to them in the Companies Act, 1956 and/or any amendment/re-enactment thereof and in the Listing Agreements.
- (b) This code can be modified, amended or altered only by Board of Directors of the Company.
- (c) Unless the context otherwise requires, all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders, and words importing the singular include the plural and vice versa.

## 3) Applicability

This Code shall be applicable to the Directors and the Senior Management Personnel.

## 4) Duties and Obligations

Each Director and each member of the Senior Management Personnel shall always act in the best interests of the Company and in accordance with the authority conferred upon him and shall, without prejudice to the foregoing, always:

- (a) act with the utmost care, skill, diligence and integrity;
- (b) act with the utmost good faith and fulfill his fiduciary obligations without allowing his independence of judgment to be compromised;
- (c) in the case of a member of Senior Management Personnel, unless permitted to do so by his Superior, abstain from taking, or participating in, any decision on a subject matter in which a Conflict of Interest arises or which, in his opinion, is likely to arise;
- (d) make disclosures to the Chairman / CEO of the Company in relation to all material financial and commercial transactions where he has a personal interest that could conflict with the interest of the Company.

- (e) without the prior approval of the Chairman of the Company and in accordance with law, abstain from entering into business with any of the following in his official capacity:
  - (i) a relative;
  - (ii) a private limited company in which he or his relative is a member or a director;
  - (iii) a public limited company in which he or his relative holds 2% or more paid-up share capital; or
  - (iv) with a firm in which his relative is a partner.
- (f) avoid acquiring any personal or financial interest in any business dealings concerning the Company;
- (g) abstain from holding any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company;
- (h) abstain from exploit for his own personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Chairman / CEO of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity;
- (i) abstain from seeking or accepting, directly or indirectly, any gift from anyone that has business dealings with the Company;
- (j) abstain from making any adverse criticism of any policy or action of the Government of India or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders; and
- (k) abstain from committing any offence involving moral turpitude.

Provided that nothing in this clause shall apply to any statement made or views expressed by a Director or a member of Senior Management Personnel, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him or in execution of any Order of any Government Authority.

## 5) Duties of Independent Director

Each Independent Director shall always act in the best interests of the Company and shall perform the following duties to the best of their abilities and observe time commitment as stated below:

### A. Duties

- i. undertake appropriate induction and regularly update and refresh his skills, knowledge and familiarity with the Company;
- ii. 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;
- iii. participate constructively and actively in the committees of the Board in which one is a chairperson or member;

- iv. where one 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;
- v. keep oneself well informed about the Company and the external environment in which it operates;
- vi. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- vii. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure oneself that the same are in the interest of the Company;
- viii. 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;
- ix. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- x. while acting within authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- xi. not disclosing any 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.

## **B. Time Commitment**

It is difficult to be precise about the time commitment that may be required from an Independent Director but the Company anticipates a commitment of sufficient time and attention as necessary in order to perform the duties of an Independent Director. This includes attendance at regular and emergency Board Meetings, Committee Meetings, separate meeting of Independent Directors of the Company and any Annual/Extra-ordinary General Meeting. In addition, appropriate preparation time is required to be devoted ahead of each meeting.

## **6) Compliance with Law**

Each Director and each member of the Senior Management Personnel shall comply with all laws, rules and regulations relating to the business of the Company.

## **7) Other Directorships**

7.1 Unless specifically permitted by the Chairman of the Company, each Director and each member of the Senior Management Personnel shall not serve as a director of any other company or as a partner of a firm that is engaged in a business that competes with the business of the Company or that of a company or firm with which the Company has a business relationship.

7.2 The restriction as stated in Clause 7.1 shall not apply to:

- (a) joint venture companies with management control vested in the Company; or
- (b) Subsidiary companies or Associates of the Company.



## 8) Related Party Disclosures

Each Director and each member of the Senior Management Personnel shall make a complete disclosure of all related party transactions to the Chairman/CEO of the Company in accordance with Accounting Standard 18 (AS-18) issued by the Institute of Chartered Accountants of India (ICAI) and in format set out in Appendix I hereto.

## 9) Confidentiality of Information

Any information concerning the Company's business to which a Director or a member of Senior Management Personnel has access or which is in his possession, must be considered confidential and held in confidence. No Director or a member of Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized by the Company.

Provided that a Director or a member of Senior Management Personnel can disclose such information which is:

- (a) part of the public domain at the time of disclosure;
- (b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Government of India or any other Governmental Authority.

## 10) Protection Of Assets

The Directors and Senior Management Personnel shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

## 11) Amendments To The Code

The provisions of this Code can be amended or modified by the Board of Directors of the Company from time to time and all such amendments or modifications shall take effect from the date stated therein.

## 12) Placement Of The Code On Website

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendment thereto shall be hosted on the website of the Company.

## 13) Annual Compliance Reporting

- 13.1 In accordance with Clause 49 of the Listing Agreement, all Directors and Senior Management Personnel shall affirm compliance with 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 /CEO of the Company. A format of the Annual Compliance Report is set out in Appendix II.
- 13.2 The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director or any member of 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 the Company.
- 13.3 The Chairman / CEO of the Company and the Chief Financial Officer of the Company or any other person in charge of the finances of the Company shall certify to the Board

that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Code.

#### **14) Enforcement Of Code Of Conduct**

Each Director and each member of the Senior Management Personnel shall be accountable for fully complying with this Code.

#### **15) Consequences Of Non- Compliance Of The Code**

Any Director or any member of the Senior Management Personnel that violate the Code will be subject to disciplinary action as may be decided by the Board.

#### **16) Acknowledgement Of Receipt Of The Code**

Each Director and each member of the Senior Management Personnel shall acknowledge receipt of this Code or any modifications thereto, in an acknowledgement form substantially similar to that in Appendix-III and shall forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code.

## DISCLOSURE OF RELATED PARTY TRANSACTIONS

The Directors and Senior Management Personnel shall disclose the following, in respect of all transactions with related parties, as covered in AS-18 issued by ICAI:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion; and
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature:.....

Name:.....

Designation:.....

Date:.....

Place:.....

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Directors and Senior Management Personnel:

- purchases or sales of goods (finished or unfinished) ;
- purchases or sales of fixed assets ;
- rendering or receiving of services ;
- agency arrangements;
- leasing or hire purchase arrangements ;
- transfer of research and development ;
- licence agreements;
- finance (including loans and equity contributions in cash or in kind) ;
- guarantees and collaterals ; and
- management contracts including for deputation of employees.



## APPENDIX II

### ANNUAL COMPLIANCE REPORT

I, ....., do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31st March 20 .

Signature:.....

Name:.....

Designation:.....

Date:.....

Place:.....

Note: To be submitted by 30th April each year.



## ACKNOWLEDGEMENT FORM

I, ....., have received and read the CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL (the **Code**). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature:.....

Name:.....

Designation:.....

Date:.....

Place:.....





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