

BEDMUTHA INDUSTRIES LTD



BEDMUTHA
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CODE OF CONDUCT FOR DIRECTOR AND SENIOR MANAGEMENT PERSONNEL

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT PERSONNEL

The purpose of this Code of Conduct (or “Code”) is to devise guidelines for the conduct of the operations of the Company with an utmost honesty, integrity, transparency, dignity and ethical values benefitting the stakeholders and the society at large. The Directors and Senior Management Personnel are entrusted with the responsibility of ensuring the compliance with the Code and to act as a guiding factor to all concerned to boost the governance standards in the general sphere of their conduct vis-à-vis general economic scenario involving the business of the Company.

While though every attempt has been made to cover all possible situations governing the conduct of all employees, circumstances could arise where the Code may not cover the anticipated actions. It is therefore expected that the person’s conduct shall confirm to the ethical behaviour so as not to cause prejudice to the other and ensure that the Code is complied both in letter and spirit. The Code encompasses wide variety of situations and is ever evolving. The Directors and Senior Management Personnel are encouraged to bring to the notice of specific issues which may help improve the standards of the Code from time to time.

This Code shall come into force with immediate effect. Each Director/Officer/Employee (as defined below) shall owe an obligation to follow the provisions of this Code.

APPLICABILITY

This Code applies to all the members of the Board of Directors of the Company (Directors) and all the Employees, who are designated as Directors or above in the Company (Officers).

Definitions and Interpretations-

- ✓ "Board Members" shall mean members of the Board of Directors of the Company.
- ✓ "Relative" shall have the same meaning as defined in Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014 and amendment thereto from time to time.
- ✓ “Senior Management” (or “SMP”) shall mean all employees in the designation “General Manager” and above.

1. DISCHARGE OF DUTIES:

The Board of Directors and Senior Management Personnel are required to discharge functions in accordance with the highest standards of honesty, integrity, transparency and ethics. The Board of Directors and Senior Management Personnel

represent the decision making body of the Company and play a fiduciary role for and on behalf of all the stakeholders. In the course of any decision making process or an action, the Board of Directors and Senior Management Personnel shall ensure that:

- i. Its conduct is performed with a high standard of governance and is prejudiced to none.
- ii. No element of fraud or chance of fraud is involved in the course of their functions.
- iii. Appropriate mechanism is in place to report the fraud and the protection of whistle blower, whether an employee or not of the Company.
- iv. The ethical conduct should be way of life in the general sphere of the conduct of the operations of the Company.
- v. There shall not be any conflict of interest in the course of any transactions or where there arises a conflict of interest, the same should be appropriately reported to Board or the person authorised by Board.
- vi. They shall devote their whole time and attention for the purpose of the business of the Company during the business hours.
- vii. They shall maintain complete impartiality and continued independence towards any concerned.
- viii. They shall not at any point of time during their employment or association with the Company abuse their powers and discretion to their or their relatives'/associates' personal advantage.

2. CODE OF ETHICS

The Board of Directors and Senior Management Personnel shall adhere to the Code of Ethics as laid down herein below in the course of carrying out day to day affairs of the Company. Though every effort has been made to cover all aspects demanding ethical conduct, there could be situations, which arise or may have arisen not strictly enlisted or anticipated by the Code. In such situations, wherever in doubt or felt necessary to avoid any conflict or violation with the Code, suitable guidance can be obtained from the Board of the Company. The following instances can be a guiding factor for the purpose of compliance with the Code:

(A). Dealing with Customers:

The Company believes in the carrying of the business while upholding the best ethics and governance. It is with this background that the employees are required to conduct their behaviour with utmost integrity, honesty and duty bound while dealing

with the customers. Customer satisfaction is of paramount importance to the Company and the officials of the Company are duty bound. The customers govern the way forward and their wishes shape our conduct. All efforts should be made to:

- (a) Offer the customers with full availability across the range of products manufactured/produced by the Company.
- (b) Serve customers in a friendly, respectful and honest manner.
- (c) Redress the customers grievances, if any, promptly and provide an alternate mechanism to elevate the concern.
- (d) Obtain regular feedback from the customers about the company's product or services offered to them and ways and means to consistently improve upon them.
- (e) No undue bias or favour towards any customer should be allowed to subsist.
- (f) No unwarranted or unaccounted gifts should be offered to the customer.
- (g) No commission shall be received by any employee directly or indirectly with or without the knowledge of the Company. Where such commissions are offered by the customers, the same shall be promptly reported to the Management of the Company.
- (h) No gifts or any other form of incentive shall be accepted from the customers.

(B). Dealing with Employees:

Employees are the means to carry forward the vision and mission of the Company serving all the stakeholders in the Company. It is therefore pertinent that special emphasis is made to attract the best talent, motivate the employees for their exceptional performances and retain them by offering incentives in accordance with their deliverables vis-à-vis the company's performance. Comprehensive training shall be provided to help them attain the required level of competency to discharge their functions and to develop them for higher roles. The remuneration to the employees shall reflect the position, performance, commitment and the responsibilities discharged.

(C). Data Protection

Data sharing can be in the form of:

- i. Reciprocal exchange of data;
- ii. One company providing data to third party;
- iii. Inter-se sharing of information within the organisation.

Information/ Data of the company is the backbone of any business especially in the competitive business environment that the Company is present in. All information/data in the day to day business of the Company are deemed to be confidential and property of the Company, irrespective of the source at which it is generated. Data relating to the business of the Company should be shared with an external agency only on a need to know basis. Data sharing is critical and utmost care should be ensured in the handling of such data. Data sharing means the sharing of data from one company to another or one department to another within the Company.

(D). Financial Reporting And Records

The Company prepares and maintains 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 shall fairly and accurately reflect all the Company's business transactions and disposition of assets.

All required information shall be accessible to auditors of the Company and other authorised parties and government agencies. There shall not be any wilful omission of any transaction from the books and records of the Company.

Apart from inviting appropriate civil or criminal action under the relevant laws, any wilful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.

(E) Discrimination And Harassment

The Company should contribute for a better workplace, which is free of discrimination and harassment based on race, colour, religion, age, gender, national origin, disability, veteran status, or any other biases. It will be the endeavour of every Director and Officer of the Company to see that workplace is free from such bias.

(F) Safety, Health and Environment

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory, it operates in.

The Company shall be committed to prevent the wasteful use of natural resources and, wherever possible, minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

(G) Disclosures

The Company's policy is to provide full, fair, accurate, timely and understandable disclosures in reports and documents that Company file with, or submit to, the stock exchanges, SEBI and/or any other government agency and in all other public communications made by the Company. The Company's management has the general responsibility of preparing such filings and correspondences and shall ensure that these conform with the applicable laws and regulations.

3. CONFLICTS OF INTEREST

The Directors/ Officers of the Company shall avoid conflicts of interest with the Company and, in case there is or may be such a conflict, it shall be promptly disclosed. A conflict of interest exists where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.

No person, while acting on behalf of the Company, including a member of the board, shall, directly or indirectly, including relative:

- a. Accept any benefit, gift or entertainment that would be illegal or result in any violation of law;
- b. Accept any gift of cash or cash equivalent (such as gift certificates, loans, share);
- c. Accept or request anything as a "quid pro quo," or as part of an agreement to do anything in return for the benefit, gift or entertainment;
- d. Have significant ownership interest in any supplier, customer, development partner or competitor of the Company,

4. PROPER USE OF COMPANY ASSETS

The Company's assets should be used only for the business purposes of the Company.

5. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS

Directors/Officers are expected to comply with all applicable governmental laws, rules and regulations.

6. SECURITIES TRANSACTIONS AND CONFIDENTIAL INFORMATION

The Directors/ SMP shall comply with the provisions of Code for Prevention of Insider Trading framed by the Company. Directors/ Officers and their relatives shall not derive any undue benefit or assist others to derive any undue benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constitute insider information. A Director/ SMP

shall not use or proliferate information, which is not available to the investing public and which, therefore, constitutes insider information.

Such insider information may 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

7. CONFIDENTIAL INFORMATION

Directors/ SMP are required to maintain the confidentiality of all confidential information that they receive or become privy to in connection with the Company's business, except when disclosure is authorized or legally mandated.

Confidential information includes all non-public information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors, or harm the Company, its suppliers or its advertisers, if disclosed. Directors/ SMP must not use confidential information for their own advantage or profit directly or indirectly.

8. Affirmation of Compliance with the Code:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management personnel are required to affirm compliance with the Code within 30 days of close of every financial year affirm compliance with this Code.

The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

9. VIOLATIONS OF THE CODE

In case of breach of this code by the Directors, including the Chairman of the Board, this shall be examined by the Board and corrective measure will be taken. Penalty for violation may include disciplinary action, removal from office, dismissal and such

other actions to the extent permitted by law. The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law of this code or other Company policies or against any person who is assisting in any investigation or process with respect to such a violation. Directors/ SMP must cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or any other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is to be avoided.

10. ENFORCEMENT OF CODE OF CONDUCT

Directors and SMP shall be accountable for complying with this code and shall give a disclosure to the Board on an annual basis to the effect that they have complied with the provisions of the Code. Any material violation of the Code that is reported/ noticed shall be placed before the Board. The Company Secretary shall be the Compliance Officer for the purpose of this Code.

11. WAIVER AND AMENDMENT OF THE CODE

The Code is subject to modification and review at regular intervals by the Board of Directors and any amendment or waiver of any provision of this Code has to be approved by the Board of Directors.



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