



## **HBL Power Systems Ltd.,**

### CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

#### **INTRODUCTION:**

This code of Conduct ( this Code) shall be called "The Code of Conduct for Board Members and Senior Management Personnel of HBL Power Systems Limited (hereinafter referred to as the Company).

The subject code has been framed specifically in compliance with the provisions of Clause 49 of the listing agreement with Stock Exchanges.

The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company.

It shall come into force with effect from 1-01-2006.

#### **Definitions & Interpretations:**

The term "Board Members" shall mean Directors on the Board of the Company

The term Whole- time Director shall be the Directors on the Board of Directors of the Company who are in whole- time employment of the Company

The term Other Director shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company .

The term Relative shall have the same meaning as defined in Section 6 of the Companies Act, 1956. (Enclosure - I)

#### **Applicabilty:**

This code shall be applicable to the following persons:

All whole---time Directors of the Company

All Other Directors

Senior Management Personnel as per Enclosure - II.

The whole- time Directors, non-executive director and Senior Management Personnel should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company

### **Key Requirements:**

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the company and observe the following code of conduct:

Shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Company as well as representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.

Shall not involve themselves in making any decision on a subject matter in which a conflict of interest arises or could arise, between the personal interest and the interest of the Company. In the event of apprehending such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest to:

All whole-time Directors of the Company

- Board of Directors in case of Directors (whole-time) and

- Chairman in case of Senior Management Personnel for further directions in the matter.

Shall avoid conducting business with a Relative or with Private Company in which the relative is a member or a Public limited Company in which a relative holds 2% or more shares or voting right or with a Firm in which a relative is a partner.

Shall avoid having any personal financial interest in works or contract awarded by the Company

Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.

Shall not hold any positions or jobs or engage in any outside businesses or have interests that adversely affect the performance of duty. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interest of the Company.

Shall not exploit for their own personal gain, opportunities that are discovered through company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Chairman as the case may be .

Shall comply with all applicable laws, Company, Government and CVC Rules and Regulations in general and with respect to accepting proffering gifts, donations and hospitality and any violation thereon may make them personally liable. The Company for violation of provisions of law may subject directors and Senior Management Personnel to disciplinary action.

Shall not serve as a Director of any other Company or as a partner of any firm that competes with the Company's business. Whole Time Directors and Senior Management Personnel shall obtain approval of the Chairman prior to accepting such Directorship or Partnership.

Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, which is not in public domain and therefore constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of...

- Trading in the shares of the Company,
- Transactions having personal interest, and
- Related party transactions

Any information concerning the Company's business, its customers, suppliers etc, which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so, and when disclosure is required as a matter of law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

Shall protect the Company's assets, labor and information and may not use these for personal use, unless authorized to do so.

#### **Enforcement of Code of Conduct:**

- Company Secretary shall be the Compliance Officer for the purpose of this code.

Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.

Compliance Officer shall report breach of this code, if any, which comes to his notice to the...

- Board in case of all Board members, and
- Chairman in case of Senior Management Personnel.

All Board Members and Senior Management Personnel shall be subject to any internal or external investigation for violation of this code. The Company shall ensure confidentiality and protection to...

- any person who has, in good faith, reported a violation or suspected a violation of this code or other Company policies,
- any person who is assisting in any investigation or in the process of investigation with respect to such a violation .

The Chairman shall determine penalty for breach of this code by Senior Management Personnel. In case of breach of this code by the Whole- time Directors and/or Part - time Directors, the Board shall examine the same.

Penalty may include serious disciplinary action, dismissal from the office as well as other remedies, including recommendations for any of the above penalties, as considered appropriate under the given circumstances.

**Waiver and Amendments of the Code:**

No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board members and by Chairman in case of Senior Management Personnel.

The Board of Directors of the Company can amend the provisions of this code from time to time.

**Insertion of the Code in website:**

As required by Clause 49 of the listing agreement this code and any amendments thereto shall be posted on the website of the Company.

**ENCLOSURE-I**

**HBL Power Systems Ltd.,**

Extract of Section 6 of the Companies Act, 1956

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

- a) they are members of 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 IA

Schedule 1A

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 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.

**ENCLOSURE-II**

**HBL Power Systems Ltd.,**

List of Executives as Senior Management Personnel for the Purpose of clause 49of the listing Agreement

<b>Sl. No</b>	<b>Department/ Division</b>	<b>Present Designation of Head of the Department/ Division</b>
1.	Overall administration	Executive President
2.	Finance, Accounts	CFO
3.	Marketing–Domestic	Vice President / General Managers
4.	Marketing-Export	Vice President / General Managers
5.	Purchase	General Managers
6.	Commercial	General Managers
7.	Production Divisions	Head Production
8.	Railway works Contracts	General Manager
9.	Secretarial	Company Secretary

Note: In case the post of Head of Department/ Division is vacant, then the officer acting as in-charge or Head of Department/ Division shall qualify as Senior Management for this purpose.