

# आचार संहिता

## Code of conduct

(1 सितम्बर 2011 से लागू/ w.e.f. 1<sup>st</sup> September 2011)



## प्रोजेक्ट्स एंड डेवलपमेंट इंडिया लिमिटेड

(भारत सरकार का उपक्रम)

**PROJECTS & DEVELOPMENT INDIA LTD.**  
( A GOVT. OF INDIA UNDERTAKING )

## **Code of conduct Projects & Development India Ltd.**

### **Introduction**

- This Code of Conduct (hereinafter referred to as the "Code") shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Projects & Development India Ltd. (hereinafter referred to as the "Company").
- This Code envisages that the Board of Directors of the Company ("Board") and Senior Management Personnel (as hereinafter defined) (collectively referred to as "Officers") must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law.
- The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Officers by the shareholders of the Company. Officers are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- The principles prescribed in this Code are general in nature and lay down broad standards of compliance and ethics, as required by Guidelines on Corporate governance for CPSE – 2010. The Officers should also review other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with this Code.
- The Company currently has in place Employees (Conduct, Discipline & Appeal) Rules 1987, which govern the conduct of all employees of the Company including Whole-time Directors but excluding Non Whole-time Directors. This Code has now been framed specifically in compliance with the provisions of Guidelines on Corporate governance for CPSE – 2010. In respect of the Company's Whole-time Directors and Senior Management Personnel this Code is to be read in conjunction with the "Conduct, Discipline and Appeal Rules."
- This Code shall come into force with effect from the 1st day of September 2011.
- All Board Members Officers should sign the acknowledgment form annexed as **Appendix I** hereto and return the form to the Company Secretary indicating that they have received, read, understood and agree to comply with the Code. All Officers shall be required to affirm compliance with this Code on an annual basis, within 30 days of close of every financial year to the Company Secretary, in the form annexed hereto as **Appendix II**.

### **Definitions & Interpretation**

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

- Board" shall mean the board of Directors of the Company.
- "Board Members" shall mean the Directors on the board of Directors of the Company.
- "Company" shall mean the Projects & Development India Ltd. (PDIL)
- "Government" shall mean Govt. of India.
- "Officers" shall collectively refer to the Board Members and the Senior Management Personnel

"Relative" shall have the same meaning assigned to the term in Sections 2(41) and 6 of the Companies Act, 1956, read with Schedule IA of the Companies Act, 1956, and as more specifically detailed in **Appendix IV**.

- Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding the Board of Directors and would comprise of all members of management one level below the Whole Time Directors, including head of departments directly reporting to Whole Time Directors.
- "Whole Time Directors" shall mean the Board Members who are in the whole-time employment of the Company.
- "Non Whole Time Directors" shall mean the Board Members who are part-time Directors and not in the whole time employment of the Company.
- In this Code words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

### **Applicability**

This Code shall be applicable to the following persons:

- Board Members
- Senior Management Personnel.

### **Ethical Conduct**

**Every Officer shall act within the authority conferred upon him by PDIL and under applicable law, keeping in view the best interests of PDIL and shall:**

- Act with professionalism, utmost care, skill, diligence, honesty, good faith and integrity as well as high moral and ethical standards
- Fulfill their fiduciary obligations without allowing their independence of judgment to be compromised;
- Act fairly and transparently and not participate in any decision-making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgment of PDIL's best interest cannot be exercised
- Avoid conducting business between PDIL and

(a) a relative

(b) a private limited company in which he or his relative is a member or a director

(c) a public limited company in which he or his relative holds 2% or more shares or voting right and

(d) with a firm in which the relative is a partner,

except with the prior approval of the Board .

- Avoid having any personal and/or financial interest in any business dealings concerning the Company (PDIL)
- Not engage in any business, relationship or activity with anyone who is a party to a transaction with the Company (PDIL)
- Avoid any dealings with a contractor or supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influences decisions to be made by the Company (PDIL)
- Not hold any positions or jobs or engage in other businesses or interests that are prejudicial to the interests of the Company (PDIL)
- Not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity;
- Not seek, accept, or offer or make, directly or indirectly, any gifts, illegal payments, remuneration, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of business save as otherwise provided under the "Service Rules for Managerial & Supervisory employees" Rules
- Not commit any offence involving moral turpitude or any act contrary to law or opposed to public policy.

### **Disclosures**

- Notwithstanding that any instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested Officer should be made to PDIL. It is also incumbent upon every Officer to make a full disclosure of any interest which the Officer or the Officer'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 PDIL.
- With respect to related party disclosures, Board Members shall make disclosure to the Board and Senior Management Personnel shall make disclosure to the Chairman under the provisions of Accounting Standard 18 annexed hereto as **Appendix III**.
- If an Officer fails to make a disclosure as required herein, and the Company of its own accord becomes aware of an instance of conflict of

