



**CODE OF CONDUCT  
OF  
GREAVES COTTON LIMITED  
FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT**

Last amended on 12<sup>th</sup>, May 2023

## Introduction

- This Code of Conduct ("this Code") shall be called "The Code of Conduct for Board Members and Senior Management" of Greaves Cotton Limited and its subsidiaries (hereinafter referred to as "Company" or "Greaves");
- This Code has been framed in compliance with the requirements of provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015;
- It came in to force with effect from 1<sup>st</sup> August, 2014;
- With effect from 1<sup>st</sup> December, 2015 SEBI replaced the Listing Agreement with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and accordingly necessary changes have been made in this Code.

## Purpose

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

Greaves is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This Code is intended to help foster a culture of transparency, honesty and accountability, to provide guidance and help in recognizing and dealing with ethical issues and provide mechanisms to report unethical conduct. The Board Members and Senior Management personnel are expected to comply with the letter and spirit of this Code.

Board Members play a central role in the governance of the Company. Their principal duty is to ensure that the Company is well managed in the interests of its shareholders and stakeholders. The Board of Directors is the decision-making authority on all matters, except those specifically reserved for shareholders. However, Board Members (except for Executive Directors) are not expected to assume an active role in the day-to-day management of the Company.

No code or policy can anticipate every situation that may arise, or replace the thoughtful behaviour of an ethical person. Board Members and Senior Management personnel are encouraged to bring questions about particular circumstances that may relate to one or more of the provisions of this Code to the attention of the Chairperson of the Nomination & Remuneration Committee or General Counsel and Company Secretary, as appropriate.

## Definitions and Interpretations

- "Board Members" shall mean members of the Board of Directors of the Company;
- "Relative" shall have the same meaning as given in Annexure – I to this Code and defined in Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014;
- "Senior Management" means all employees who are M2 level and above.
- "Subsidiaries" shall have the same meaning as defined in Section 2 (87) of the Companies Act, 2013
- "Compliance Officer" means such officer as nominated under the Whistle-Blower Policy of the Company

## I. Guidelines of Professional Conduct

The Board Members and Senior Management personnel shall:

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising their duties;
- c. exercises their responsibilities in a bona fide manner in the interest of the Company;
- d. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- e. not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f. not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g. refrain from any action that would lead to loss of their independence;
- h. where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
- i. assist the Company in implementing the best corporate governance practices.

## II. Duties

The Board Members (including Independent Director) shall:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d. participates constructively and actively in the committees of the Board in which he is a chairperson or member;
- e. strives to attend the general meetings of the Company;
- f. where they 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;
- g. keep themselves well informed about the Company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself that the same are in the interest of the Company;
- j. 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.
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

- l. Not participate in any entertainment that is unsavory, sexually oriented, or otherwise violates our commitment to mutual respect;
- m. not to disclose 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;
- n. act in accordance with the Articles of the Company and in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- o. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- p. not involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- q. not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates;
- r. not assign his office and any assignment so made shall be void.

### III. Conflict of Interest

The Board Members and Senior Management personnel should to their best of their abilities avoid situations that present a potential or actual conflict between their personal interest and the interest of the Company. In case there is likely to be a conflict of interest, he or she should make full disclosure of all facts and circumstances thereof to the Board of Directors or the Compliance Officer, and a prior written approval should be obtained.

A “conflict of interest” occurs when a person’s private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiaries and affiliates.

A conflict of interest can arise when the individual or the individual’s relative takes an action or has an interest that may make it difficult for that individual to perform his or her work objectively, impartially and effectively. Conflict of interest may also arise when the individual (or his or her relatives) receives improper personal benefits owing to the individual’s position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations where the rules are clear. No one, when acting for the Company, including a member of this board, may ever, directly or indirectly (such as through a 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 which is against the policy of Greaves Cotton Limited (such as gift certificates, loans, stock, stock options);
- 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. Participate in any activity that you know would cause the person giving the benefit, gift or entertainment to violate his or her own employer’s standard;
- e. Have significant ownership interest in any supplier, customer, development partner or competitor of the Company.
- f. Competing with the Company for the purchase or sale of property, services or other

- interests;
- g. Engaging in any conduct or activities that disrupt or impair the Company's existing or potential commercial relationships;
  - h. Accepting compensation, in any form, for services performed for the Company from any source other than the Company;
  - i. Receiving benefits, gifts or entertainment from persons or entities who deal with the Company where a benefit, gift or entertainment is intended to influence the Director's actions as a member of the Board or as Senior Management, or where acceptance could create the appearance of a conflict of interest.

Situations involving a conflict of interest may not always be obvious or easy to resolve. Conflicts of interests involving the Directors or Senior Management personnel, or questions concerning potential conflicts, shall be brought to the Board of Directors or the Compliance officer.

#### **IV. Corporate Opportunities**

Board Members and Senior Management personnel owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. They are prohibited from taking for themselves business opportunities that are discovered through the use of corporate property, information or position. No Board Member or Senior Management personnel may use corporate property, information or position for personal gain, and no Board Member or Senior Management personnel may compete with the Company. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where the Board Member or Senior Management personnel takes away from the Company opportunities for sales or purchases of products, services or interests.

#### **V. Fair Dealing**

The Company is committed to develop systems and processes to identify its stakeholders; engage and consult with them in developing policies and processes that impact them, and commit to resolving any differences and redressing grievances in a just, fair and constructive manner which enables us to create value for all our stakeholders.

The Board members and Senior Management personnel should comply with the highest ethical standards and all anti-corruption laws applicable, and are required to ensure that all dealings with third parties, both in the private and government sectors, comply with all relevant laws and regulations and with the standards of integrity.

The Board members and Senior Management personnel shall not, directly or indirectly, make any payment, offer or promise to make any payment or transfer of anything of value to a governmental official or other person or entity, or to any political party or any candidate for political office or any employee of a private sector entity with which the Company is doing or seeking to do business, with the purpose of influencing decisions favorable to the Company and its business or otherwise in contravention of the anti-bribery & anti-corruption laws, or engage in any conduct that would violate any sanctions or money laundering laws or any other applicable law.

Employee should endeavor to deal fairly with customers, consumers, suppliers, competitors, employees, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

## **VI. Protection of Confidential Information**

Board Members and Senior Management personnel should maintain the confidentiality of information entrusted to them by the Company, its customers, consumers or suppliers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, its customers, consumers or suppliers, if disclosed.

## **VII. Protection and Proper Use of Company Assets**

Protecting Company assets against loss, theft or other misuse is the responsibility of everyone who acts for the Company, including Directors. Loss, theft and misuse of Company assets directly impact our profitability. Board Members and Senior Management personnel should endeavour to use all of Company assets and resources for legitimate business purposes of the Company.

## **VIII. Compliance with Laws and Regulations**

In carrying out their duties and responsibilities, Board Members and Senior Management personnel should comply and endeavour to ensure that the employees are causing the Company to comply with applicable laws, rules and regulations. In addition, if any Board Member or Senior Management personnel becomes aware of any information that he or she believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, any employee or another Director, then such Board Member or Senior Management personnel should immediately bring such information to the attention of the Audit Committee or Compliance Officer as prescribed in the Whistle Blower Policy of the Company.

## **IX. Encouraging the Reporting of Illegal or Unethical Behaviour**

Board Members and Senior Management personnel should endeavour to ensure that Management is causing the Company to promote ethical behaviour and to encourage employees to report evidence of illegal or unethical behaviour to attention of the Audit Committee or Compliance Officer as prescribed in the Whistle Blower Policy of the Company. Directors and Senior Management personnel should ensure to the best of their abilities that the Company will not allow retaliation against any person who makes a good faith report about a possible violation of the Company's Code of Conduct.

## **X. Insider Trading**

Board Members and Senior Management personnel shall not derive benefit from, 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 constitutes

insider information.

It is the responsibility of Board members and Senior Management to abide by the 'Code of Conduct for Prevention of Insider Trading in the Securities of Greaves Cotton Limited' (as amended from time to time) and become familiar with and understand laws, regulations, policies and codes relating to insider trading and should seek further explanations and advice concerning their interpretation, if required.

## **XI. Sexual Harassment**

Board Members and Senior Management personnel shall comply with Greaves' Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and any modifications thereof from time to time in line with the amendments in the law.

Any Board Member or Senior Management personnel who believes or comes to know of any one's action which constitutes sexual harassment, will immediately report to the concerned authority as specified in the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

## **XII. Involvement in Political Activities / Industry Forums**

Board and Senior Management shall abide by following principles:

1. The Company does not encourage political contributions on behalf of the Company. However, in certain exceptional circumstances such contributions may be allowed to be made, pursuant to approval of the Board or shareholders, as applicable.
2. Only specifically authorized persons shall be allowed to engage in any political related activity including commenting on political processes, policy debates and lobbying.
3. Board and Senior Management personnel shall not give impression of representing or being spokesperson of the Company while associating with any political party or political activities in personal capacity.
4. Authorised Board and Senior Management personnel shall co-operate with the Government, Chambers of Commerce and Trade Associations in matters concerning the industry in order to promote, protect and enhance Company's and its stakeholders' business interests, human rights and fair competition

## **XIII. Commitments towards Customer and Product Quality**

1. Product quality and safety is utmost important for the Company. Therefore, Board and Senior Management shall develop a process to ensure the product meets highest quality and safety standards.
2. Board and Senior Management shall make correct and factual statements of the Company, its products and services in all sales and marketing and advertisement campaigns so that the customers make an informed decision.
3. Board and Senior Management shall not engage in any unfair or deceptive trade practices and shall ensure compliance with applicable laws.

4. Board and Senior Management shall develop a process to attend to customer complaints to their satisfaction.

#### **XIV. Employee Health, Safety and Others**

Employees are backbone of the Company's operation. Therefore, the Company provides a safe and healthy work environment. The Board and Senior Management should ensure that:

1. The Company follows Zero Tolerance towards any form of harassment including sexual harassment.
2. Any kind of physical/verbal assault, possession of weapon or being under influence of alcohol, narcotic or intoxicants while at work is prohibited.
3. The Company respects right to freedom of speech, provide safe and humane working conditions and promote a positive work environment.
4. The Company recognizes the importance of fundamental human rights in all its operation and any kind of forced, coercive, or any form of involuntary or child labour is absolutely prohibited.
5. The Company respects the legal right of all its employees to participation or collective bargaining and freedom of association.
6. The Company ensures fair, timely and transparent payment of statutory wages of all its employees, including contract and casual labour without discrimination.
7. The Company ensures skill upgradation of its employees on continuous basis by providing access to necessary learning opportunities, on an equal and nondiscriminatory basis.

#### **XV. Environment Protection**

The Company endeavours to adopt, effective environmental management practices. These include but not limited to efficient and judicious use of natural resources, raw materials, energy and water, minimization of waste, reduction of greenhouse gas emissions, and prevention of pollution including water pollution and adverse impacts on biodiversity.

#### **XVI. Product Stewardship**

Throughout the end-to-end manufacturing, transportation, operation and maintenance of product and services, the Company endeavors to undertake the manufacturing of goods with due consideration to environmental responsibility in the:

- raw material extraction and use.
- smart design of the product(s).
- consumption of fuel and water.
- amount of carbon emissions created, and
- energy required to extract, create, transport, operate and dispose of products.

It is the responsibility of each Director and Senior Management personnel to become familiar with, and understand, these laws, regulations, policies and codes and should seek further



explanations and advice concerning their interpretation, if required.

Any amendments to the Company's policies or Codes may be made only by the Board of Directors of the Company and will be disclosed promptly as required by applicable laws and regulations and requirements under the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015.

Affirmation of Compliance with this Code:

Pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management personnel are required to affirm compliance with the Code on an annual basis. A proforma of Annual Compliance Report is annexed to this Code as Annexure - II. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

Acknowledgement of receipt of this Code:

The Board Members and Senior Management personnel will acknowledge receipt of this Code indicating that they have received, read and understood, and agreed to comply with the Code and send the same to the Compliance Officer.

Violation of this Code

Violation of this Code will lead to appropriate action.

Reporting concerns

Any person can report the violation to this Code in the manner prescribed in the Whistle-Blower Policy of the Company

## ANNEXURE – I

"Relative" with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other if he or she is related to another in the following manner, namely: -

1. Father includes step-father
2. Mother includes the step-mother
3. Son includes the step-son
4. Son's wife
5. Daughter
6. Daughter's husband
7. Brother includes the step-brother
8. Sister includes the step-sister

## ANNEXURE - II

The Board of Directors,  
Greaves Cotton Limited  
Unit No. 1A, 5<sup>th</sup> Floor,  
Tower 3, Equinox Business Park,  
LBS Marg, Kurla (West), Mumbai – 400070

### **Annual confirmation of compliance with the Code of Conduct for Board Members**

I, \_\_\_\_\_, do hereby solemnly affirm, to the best of my knowledge and belief, that I have fully complied with the provisions of the Greaves Code of Conduct for Board Members and Senior Management, during the year ended 31<sup>st</sup> March, \_\_.

Signature:

Name:

Position:

Date:

Place: