

ANAND CODE OF CONDUCT

Need and Relevance

With the increasing footprint of ANAND Group in terms of the number of companies and business size, it becomes imperative that good governance practices be institutionalised. This code of conduct is a step in that direction.

This also is an integral part of effort to support and live the ANAND Way in our day to day work.

Applicability

The ANAND Code of Conduct is applicable to all employees of ANAND Group including the Joint Venture companies.

Conduct Clauses:

1. Law of the land
2. Financial reporting and records
3. Protecting company assets
4. Gifts and donations
5. Ethical conduct
6. Concurrent employment
7. Conflict of interest
8. Confidentiality of information and data/insider trading
9. Equal opportunities employer
10. Anti-harassment policies
11. Community service
12. Use of the ANAND brand
13. Reporting of concerns

Clause #1 : Law of the land

An ANAND Group Company shall in the course of its business activities, respect the culture, customs and traditions of each country and region in which it operates.

ANAND employees must comply with all applicable government laws, rules and regulations.

ANAND employees must acquire appropriate knowledge of the legal/regulatory requirements relating to their duties sufficient to enable them to comply with regulations, recognize potential liabilities and consequences and to know when to seek for expert advice.

Violations of applicable government laws, rules and regulations may subject employees to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

Clause 2: Financial reporting and records

An ANAND Group Company shall prepare and maintain its accounts fairly and accurately and in accordance with the accepted accounting and financial reporting standards.

Internal accounting and audit procedures shall reflect, fairly and accurately, all of the company's business transactions and disposition of assets, and shall have internal controls to provide assurance to the company's board and shareholders that the transactions are accurate and legitimate. All required information shall be accessible to company auditors and other authorized parties and government agencies. There shall be no wilful omissions of any company transactions from the books and records.

Any wilful, misrepresentation of and / or misinformation on the financial accounts and reports shall be regarded as a violation of the Code by the concerned ANAND employee, apart from inviting appropriate civil or criminal action under the relevant laws.

Clause 3: Protecting company assets

The assets of an ANAND Group Company shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorised. ANAND employees are responsible for effective control and appropriate use of all Company's resources entrusted to them in the official discharge of their duty.

These include, but are not limited to, tangible assets such as equipment and machinery, systems, facilities, materials, people and other resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers, suppliers and service providers.

Clause #4: Gifts and donations

An ANAND Group Company and its employees shall neither receive nor offer or make, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived to obtain uncompetitive favours for the conduct of its business.

However, an ANAND Group Company and its employees may, with full disclosure to the nominated authority, accept and offer nominal gifts upto Rs. 2500, provided such gifts are customarily given and/or are of a commemorative nature. Any gift is to be only accepted at office and no gift can be accepted at employee's residence. Also in these cases, same person / organisation must not be given a gift more than once in a year.

Whenever a gift has to be accepted by an ANAND employee in the course of employment due to situational reasons, it must be displayed openly in a defined central place and deposited in custody of the respective HR Head.

Clause #5: Ethical Conduct

All ANAND employees, shall deal on behalf of the company and individually with professionalism, honesty and integrity, while conforming to high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be so by third parties.

Every ANAND employee shall preserve the human rights of every individual and the community, and shall strive to honour commitments.

Every employee shall be responsible for the implementation of and compliance with the Code in her / his environment. Failure to adhere to the Code could attract severe consequences, including termination of employment and recovery of damages due to this misconduct.

Clause 6: Concurrent Employment

An ANAND employee shall not, without the requisite, officially written approval of the company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide freelance services to anyone, with or without remuneration.

A full-time director or the chief executive, shall obtain such approval from the Board of Directors of the company.

Clause 7: Conflict of interest

An employee or director of an ANAND Group Company shall always act in the interest of the company, and ensure that any business or personal association which he/she may have, does not involve a conflict of interest with the operations of the company and his/her role therein.

An ANAND employee should not conduct company business with a relative (as defined in the Companies Act, 1956), or with a business in which a close relative is associated, without prior approval of the Board of Directors.

An ANAND employee should not conduct any kind of monetary and/or any alternate transactions with the vendors of the company.

An ANAND employee, including the Executive Director (other than Independent Director), shall not accept a position of responsibility in any other non - ANAND Group Company or not-for-profit organisation without specific sanction.

Clause 8: Confidentiality of information and data/insider trading

An ANAND employee shall secure, preserve, safeguard and use discreetly, confidential information in the best interest of the Company. He/she should not divulge or communicate such information to third parties except when required and authorised for the business reasons.

He/she shall not derive any benefit or counsel, or assist others to derive any benefit, from access to and possession of information about the company or group or its clients or suppliers that is not in the public domain and, whether or not constitutes unpublished, price-sensitive insider information.

An employee of an ANAND Group Company shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions; and strictly observe a practice of non-disclosure.

Clause 9: Equal opportunities employer

An ANAND Group Company shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability.

Human resource policies shall comply with all local labour laws, while encouraging the adoption of global best practices.

Employees of an ANAND Group Company shall be treated with dignity. Our companies shall maintain a work environment free of all forms of harassment, whether physical, verbal or psychological.

Clause 10: Anti-harassment policies

ANAND employees shall adhere to and facilitate effective functioning of the Company's mechanism for redressal of complaints of harassment of any nature as per laid down policies and principles.

Clause 11: Community Service

All ANAND employees shall be committed to good corporate citizenship, not only in the compliance of all relevant laws and regulations but also by actively assisting in the improvement of quality of life of the people in the communities in which it operates.

The company shall encourage volunteering by its employees and collaboration with community groups.

Clause 12: Use of the ANAND brand

The use of the ANAND name and trademark shall be governed by manuals, codes and agreements to be issued by ANAND Automotive Ltd.

No third party or joint ventures shall use the ANAND brand to further its interests, or otherwise, without specific written authorisation by ANAND Automotive.

Clause 13: Reporting of concerns

Every ANAND employee shall promptly report to the management, and/ or third-party ethics helpline, when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or act not in the company's interest.

Any ANAND employee can choose to make a protected disclosure under the Code of Conduct policy of the company, providing for reporting to the chairperson of the audit committee or the board of directors or specified authority. Such a protected disclosure shall be forwarded, when there is reasonable evidence to conclude that a violation is possible or has taken place.

The company shall ensure protection to the employee making a disclosure and any attempts to intimidate her/ him would be treated as a violation of the Code.

Acknowledgement of receipt and understanding of code of conduct

I have received and read the ANAND Code of Conduct. I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I understand that I can consult the HR department or the finance department, or the Ethics Committee and that my questions or reports to these sources will be maintained in strict confidence.

Employee Name:

Unit Name:

Signature:

Date: