

# ***CODE OF BUSINESS CONDUCT & ETHICS FOR DIRECTORS' AND SENIOR MANAGEMENT***

## **1. INTRODUCTION**

- 1.1 This Code of Business Conduct & Ethics (“Code”) shall be called “The Code of Conduct for Directors and Senior Management” of SRS Limited (hereinafter referred to as “the Company”). The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.
- 1.2 This Code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The Code not only ensures compliance with all the laws, but goes beyond to ensure exemplary Corporate Governance.
- 1.3.1 The principles embodied in this Code lay down broad standards of compliance and ethics as required by Clause 49 of the Listing Agreement.

It shall come into force w. e. f. 19<sup>th</sup> March, 2010.

## **2. DEFINITIONS & INTERPRETATIONS**

- 2.1 Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them as below: -

“**Board**” means the Board of Directors of the Company.

“**Company**” means SRS Limited.

“**Compliance Officer**” means Company Secretary of the Company or any other senior employee as may be nominated by the Board.

“**Conflict of Interest**” means where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

“**Executive Directors**” shall mean Managing Directors and Whole-time Directors of the Company.

“**Non-Executive Directors**” shall mean the Directors who are part-time Directors and are not in whole time employment of the Company.

“**Senior Management Personnel**” shall mean Personnel of the Company occupying the position of CEO, COO, CFO, CAO, President, Vice-President, Company Secretary and all the Business Heads by whatever designation they may be called (Vertical Heads, Regional Managers, Area Managers etc.)

2.2 In this Code, words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

### **3. APPLICABILITY**

The Code is applicable to the Directors and Senior Management Personnel of the Company.

### **4. CODE EXCLUSIVELY FOR THE DIRECTORS OF THE COMPANY**

#### **4.1 Company Meetings**

The Directors shall make concerted effort to attend all Board/Committee/General meetings comprehending to the agenda of the meeting. They shall participate actively and constructively in the discussions of the Board and shall follow the guidelines agreed on by the Board regarding how it will govern and conduct itself.

#### **4.2 Other Directorships – Disclosures**

The Directors should promptly disclose their appointment/cessation from Directorship/Committee Chairmanship/Membership in other Companies.

### **5. CONDUCT SPECIFICATIONS**

#### **5.1 Honesty & Integrity**

- a) All Directors and Senior Management Personnel shall conduct their activities honestly, diligently and in good faith, with due care, competence and diligence on behalf of the Company and on their personal behalf.
- b) All Directors and Senior Management Personnel shall act in accordance with highest standards of integrity, fairness and ethical conduct while working for the Company as well as in representing the Company without their judgment being subordinated and also to fulfill their fiduciary obligations.

#### **5.2 Conflict of Interest**

- a) All Directors and Senior Management Personnel of the Company
  - i) Should not enter into any transactions, which are or are likely to be in conflict with interest of the Company.
  - ii) shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to (a) the Board of Directors in the case of Directors (Executive and Non-Executive) and (b) Chairman/ Managing Director in case of Senior Management Personnel and they decline to pursue such opportunity for the Company.

- iii) Shall avoid having any personal financial interests in works or contracts awarded by the Company.
  - iv) Shall not seek to accept directly or indirectly any gifts from anyone having business dealings with the Company.
  - v) 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 that may influence decision to be made by the Company.
  - vi) Shall not hold any positions or jobs or engage in outside business or other interests that adversely affect the performance of duties of the Company. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interests of the Company and as, more particularly, subject to terms and conditions laid down in their respective contracts/appointment letters.
- b) Directors and Senior Management personnel are free to make personal investments and enjoy social relations and normal business courtesies. They should however ensure that such interests do not directly or indirectly influence the performance of their responsibilities.
  - c) All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict.
  - d) If the Director or Senior Management Personnel fails to make a disclosure as required herein and the Board of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, the Board would take a serious view of the matter and consider suitable disciplinary action against the person concerned.

### **5.3 Compliance with Laws/Rules & Regulations**

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behaviour, Directors and Senior Management Personnel must report to the Compliance Officer any possible violation of laws, rules & regulations.

Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.

### **5.4 Related Party Disclosures**

The Directors shall make disclosures to the Board and the Senior Management Personnel shall make disclosure to the Chairman/Managing Director of the Company with respect to any transaction with the Company in which such person is interested

and in respect of which a conflict of interest can arise between the Company and the person concerned. Such disclosure shall be in accordance with the Accounting Standard (AS) – 18 issued by the Institute of Chartered Accountants of India.

## **5.5 Confidentiality**

- a) Directors and Senior Management Personnel shall maintain the confidentiality of any information concerning the business of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is (a) authorized by the Board; or (b) the same is part of the public domain at the time of disclosure; or (c) is required to be disclosed in accordance with applicable laws.
- b) Directors and Senior Management Personnel shall not provide any information either formally or informally, to the press or any other publicity media, unless specifically authorised.

## **5.6 Financial Reporting and Disclosures**

The Company is committed to ensure that its financial statements and reporting does not contain any untrue statement; does not omit any material fact or has contents that might be misleading; and strives to present a true and fair view of the Company's affairs in compliance with the prevailing Accounting Standards and applicable laws and regulations. The Directors and Senior Management personnel shall ensure that there shall be no willful omission of any Company transactions from the books and financial records and all required information shall be provided to the Auditors.

## **5.7 Internal Control System**

Directors and Senior Management Personnel should maintain and should cause the Company to maintain a proper and adequate system of internal controls for financial reporting.

## **5.8 Corporate Governance**

Directors and Senior Management Personnel should sincerely follow and should cause the Company to follow the philosophy of good corporate governance by possessing strong business fundamentals focusing on transparency, accountability, professionalisation and corporate social responsibility for enhancing shareholders' value and contributing to the society at large.

## **5.9 Human Resources/Employee Relations**

- a) In dealing with each other, Directors and Senior Management personnel shall uphold the values which are at the core of our HR Philosophy - trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self respect and human dignity.
- b) Executive Directors and Senior Management Personnel should assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

## **5.10 Respect for the individual**

- a) Executive Directors and Senior Management Personnel should ensure that: -
- i) Subject to the compliance with applicable laws regarding positive discrimination, individuals in all aspects of employment are not discriminated against on the basis of race, religion, colour, age, disability, gender, sexual orientation or marital status and the sole criterion for recognition within the company shall be that of the work performance.
  - ii) Racial, Sexual and any other kind of harassment is not tolerated within the Company.
  - iii) Personal Beliefs of individuals are respected and that the Company specifically disassociates itself from any activity, which challenges our commitment to cultural diversity and equal opportunities.

## **5.11 Health, Safety and Environment**

The Company attaches great importance to a healthy environment and to the safety of its employees. The Company shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact on environment. In addition to complying with applicable laws and regulations, Executive Directors and Senior Management Personnel should ensure that the company adopts most efficient energy management system, prevention of energy waste and utilization of natural resources in working of all the verticals of the Company.

## **5.12 Quality of products and services**

Executive Directors and Senior Management Personnel should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after sales service consistent with the requirements of the customers to ensure their total satisfaction. They should cause the Company to strive towards proper application and adoption of product safety standards applicable to the industry, the Company operates in.

## **5.13 Shareholders**

Directors and Senior Management Personnel shall be committed to enhance shareholder value and ensure that the Company complies with all regulations and laws governing shareholders' rights. They shall duly and fairly inform its shareholders about all relevant aspects of the Company's business, and disclose such information in accordance with the respective regulations and agreements.

**6. PROTECTION AND PROPER USE OF COMPANY'S ASSETS & RESOURCES**

Directors/Senior Management personnel shall as far as practicable protect the company's assets from loss, damage, misuse or theft and ensure that assets are only used for business purposes and other purposes specifically approved by Management and must never be used for unauthorized purposes.

Directors/Senior Management personnel shall not apply the company's assets/resources and/or proprietary information for personal benefit and/or for benefit of any other related party.

**7. INTELLECTUAL PROPERTY POLICY**

Directors and Senior Management Personnel shall protect the intellectual properties, trademarks, trade secrets and other confidential information owned by the Company and its clients or associates.

**8. WAIVERS AND AMENDMENTS**

Any waiver of any provision of this code of conduct for a Director and Senior Management personnel must be placed for approval before the Company's Board of Directors and they in turn must approve that in writing and must be appropriately disclosed. Based on the business requirements and applicable regulations the Code may be amended by the Board of Directors from time to time.

**9. AFFIRMATION OF THE CODE**

All Directors and Senior Management Personnel to whom the Code applies, shall, within 30 days of close of every financial year affirm compliance with the Code indicating their continued understanding of and compliance with the Code. The duly signed Annual Compliance Declaration shall be forwarded to the Compliance Officer of the Company. Such declaration shall be in the form annexed hereto as "Annexure – I". The Company's Annual Report shall contain a declaration to this effect signed by the Chief Executive Office of the Company.

**10. VIOLATION OF THE CODE**

It shall be the duty of all the Directors and Senior Management personnel to help the enforcement of the Code and any breach if communicated/noticed is to be reported to the Board. In case of breach of the Code, the Board shall initiate appropriate action as it may deem fit & necessary.

**11. WEBSITE**

To comply the requirement of Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company – [www.srsparivar.com](http://www.srsparivar.com)

**ANNUAL COMPLIANCE REPORT**

The Compliance Officer  
**SRS Limited**

Dear Sir/Madam,

I, .....being a member of the Board of Directors/Senior Management of SRS Limited (“the Company”) hereby acknowledge, confirm and certify that:-

I have received, read and understood the provisions contained in the Company’s ‘*Code of Business Conduct and Ethics*’ for Directors and Senior Management personnel of the Company;

I am bound by the said Code to the extent applicable to my function as a member of the Board of Directors / Senior Management of the company and have complied with the provisions of the said code during the financial year ending 31<sup>st</sup> March,.....

I am not aware of nor am I party to the non-compliance of the said code.

Signature .....

Name .....

Designation.....

Date .....

Place .....