



Code of Business Conduct & Ethics

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1. INTRODUCTION:

a. What is this “Code of Business Conduct and Ethics”?

This Code of Business Conduct and Ethics describes and summarises the standards of business conduct for the Electrotherm (India) Limited (“Electrotherm” or the “Company”) and also highlights the importance of ethical value in conducting the business affairs of the Company.

b. Purpose of this “Code of Business Conduct and Ethics”:

This Code of Business Conduct and Ethics has been adopted by the Board of Directors to ensure efficient compliance with all legal requirements and other standards of business conduct. The main object of this Code of Business Conduct and Ethics is to deter wrongdoing and promote ethical conduct.

All the Members of the Board of Directors and Senior Management of the Company are expected to read and understand this Code of Business Conduct and Ethics and committed to comply with the standards laid down by this Code and to enforce the same in their letter and spirit.

As the principles and standards laid down in this Code are general in nature, and it is not possible to put within its ambit every possible issue that may arise or every situation where standards of business conduct are required to be complied with, the Board of Directors and Senior Management should take note of the fact that these principles and standards described in this Code are rather key guiding principles and standards. They should also review all applicable Company policies and procedures from time to time.

This Code of Business Conduct and Ethics is subject to modification. It may be updated as and when needed.

2. APPLICABILITY OF THIS CODE:

1. This Code is approved by the Board of Directors in their meeting pursuant to the requirements of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Code is applicable to:
 - Members of the Board
 - Senior Management

“Senior Management” shall mean officers and personnel of the Company who are members of its core management team, excluding Board of Directors, and shall also comprise all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and the person identified and designed as key managerial personnel, other than Board of Directors, by the Company.

3. The Code with the exception of point 17 is also applicable to all other employees not covered as above.
4. The Code of Business Conduct (“Code”) lays down important corporate values that shape the Company’s value system and business practices and represents cherished values of the Company.
5. The Code provides guidance to employees in recognizing and dealing with important ethical and legal issues and fosters a culture of honesty and accountability.

This Code is not intended to cover every legal or ethical issue that may arise in course of the business. When required, advice or guidance must be taken from the appropriate person in the Senior Management Cadre.

3. COMPLIANCE WITH THIS CODE:

The Members of the Board of Directors and Senior Management are committed to the highest level of ethical conduct and it should be reflected in all business activities of the Company. The Board of Directors and Senior Management must respect and adhere to these practices. These practices have various legal and regulatory consequences. The violation of the same would create significant liability on the Company, Directors and members of Senior Management.

Suspected violations of this code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All the reported violation would be appropriately investigated and necessary disciplinary actions will be taken by the Board.

4. APPLICABLE LAWS:

Each Director and Member of the Senior Management must acquire appropriate knowledge of the requirements regarding his or her duties sufficient to enable him or her to comply with the provisions of all applicable laws, rules, regulations and any other statutory orders.

5. CONFLICT OF INTEREST:

A conflict of interest exists where the interests or benefits of any employee, officer or director of the Company conflict with the interest or benefit of the Company and its affiliates.

All the Members of the Board of Directors and Senior Management of the Company are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. The honest conduct would be a conduct that is free from fraud or deception. The ethical conduct would be a conduct conforming to the accepted professional standards of conduct.

It is not practical and possible to list all situations in which conflict of interest may arise, however following examples of situations, which may constitute a conflict of interest, are provided for your perception regarding the nature and scope of the term “a conflict of interest”:

- Engaging in any activity that interferes with his/her performance or responsibilities to the Company,
- Accepting simultaneous employment with a Company supplier, customer, developer or competitor or taking part in any activity that enhances or supports a competitor's position,
- Investing in a Company supplier, customer, developer or competitor which may result in compromise with the responsibilities to the Company,
- Conducting the business of the Company with relative or with a business in which a relative is associated in any significant role,
- Accepting any offer, payment, promise to pay, or authorisation to pay any money, gift or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud,
- Competing, directly or indirectly, with the Company for the purchase or sale of the property, products, services or other interest,
- Receiving loan or guarantee of an obligation as a result of his/her position with the Company.

The Board of Directors and Senior Management have responsibility to handle such actual or apparent conflict of interest in ethical manner taking in view the principles and standards laid down in this Code.

6. DISCLOSURE PRACTICES OF THE COMPANY:

The Board of Directors shall ensure that the Company makes timely and adequate disclosure of relevant information to the shareholders, SEBI, ROC, Stock Exchanges and all other legal and statutory authorities. Such disclosure shall be full, accurate, timely, understandable and true & fair.

7. CORPORATE OPPORTUNITIES:

The Directors / Members of Senior Management are prohibited to exploit the corporate opportunities, which are discovered through the use of corporate property, information or position, for their own personal benefit or gain.

8. PROTECTION OF CONFIDENTIAL INFORMATION:

The Corporate Confidential Information is a valuable asset to the Company. The confidential information includes product plans and architectures, source codes, names and lists of existing and potential customers, dealers, suppliers and employees, any non-public information that might be useful to the competitors of the Company, intellectual properties, business objects and strategies, pricing information and any other vital financial, commercial and legal information. All confidential information must be used for the purposes of the Company. The Board of Directors and Senior Management of the Company must respect the property rights including the intellectual rights of other companies and concerns.

Directors and members of the Senior Management of the Company should maintain the confidentiality of the information entrusted to them by the Company and shall not be inappropriately disclosed or used for the personal gain or advantage of the director or anyone than the Company

9. PROTECTION AND USE OF THE COMPANY'S ASSETS:

The Directors/Members of the Senior Management are responsible for protecting and for appropriate use of the assets of the Company and safeguard the assets of the Company against loss, damage, misuse or theft. Any violation of this aspect of this code, will subject to the disciplinary action up to and including termination of the employment or business

relationship. The assets of the Company including vehicles, spares and supplies, equipments, stationery, funds, brand and logo of the Company, hardware & software and all other electronic communication devices, must be utilized in legal, ethical and appropriate manner.

10. ELECTRONIC MEDIA USAGE:

Electrotherm provides access to use of electronic mail, voicemail and intranet, the Internet and other electronic media for business purposes. This is provided to make it easier for Electrotherm employees to communicate with each other and with appropriate outside parties, suppliers, customers, shareholders, government agencies and other institutions. Electrotherm's electronic media is not to be used for any purpose that violates applicable laws, rules and regulations and its standards, policies or procedures.

Except as otherwise provided by applicable laws, no officer or employee has any right to privacy regarding use of or access to any electronic media provided by or through Electrotherm. Electrotherm may monitor or access employee's use of its electronic media at any time in accordance with applicable law.

11. HEALTH, SAFETY AND DRUGS & ALCOHOL USE:

The Company strives to provide each employee with safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs or alcohol in the work place is absolutely prohibited.

12. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

The Board of Directors (the "Board") and the senior management of Electrotherm (India) Limited subscribe to the following Code of Conduct adopted by the Board. They would

- i. use due care and diligence in performing their duties of office and in exercising their powers attached to that office;
- ii. act honestly and use their powers of office, in good faith and in the best interests of the company as a whole;

- iii. not make improper use of information nor take improper advantage of their position as a Director;
- iv. not allow personal interests to conflict with the interests of the company;
- v. recognise that their primary responsibility is to the company's shareholders as a whole but they should (where appropriate) have regard for the interests of all stakeholders of the company;
- vi. not engage in conduct likely to bring discredit upon the company; and
- vii. be independent in judgment and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors;
- viii. ensure the confidentiality of information they receive whilst being in office of Director and is only disclosed if authorised by the company, or the person from whom the information is provided, or as required by law;

13. DUTIES OF INDEPENDENT DIRECTORS:

The Independent Directors shall performs the duties as per schedule-IV of the Companies Act, 2013 namely:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the General Meetings of the Company;
- (6) 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;

- (7) keep themselves well informed about the Company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (12) acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) not 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.

14. COMPLIANCE WITH CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

Our Company has absolutely prohibited the use of Unpublished Price Sensitive Information and any other non-public information for trading in the securities of the Company. The violation of this would result in appropriate disciplinary and legal action.

Our Company has laid down the Code of Conduct for Prevention of Insider Trading for ensuring due compliance with the provisions of the applicable regulations regarding prevention of Insider Trading. Copy of the Code of Conduct for Prevention of Insider Trading is available with the Compliance Officer of the Company.

15. FAIR DEALING WITH CUSTOMERS, SUPPLIERS & PUBLIC:

The Executive Directors / Members of the Senior Management of the Company while dealing with the customers, suppliers and public, must remember that they represent the Company. They should confirm their commitment to build a relationship based upon trust. They must act in such manner so that the members of public will be confident that they will be treated

lawfully and in an ethical manner. Directors/ Members of the Senior Management should not take any unfair advantage through giving misleading information, concealment of facts, misrepresentation of material facts or abusing the non-public privileged information.

All financial and commercial transactions and dealings must be fully and accurately recorded in the Company's books and records in accordance with the applicable laws. No payment shall be made in unethical way. The violation of the provisions of fair dealing would result in appropriate disciplinary action as well as potential civil or criminal action.

16. DISCIPLINARY ACTIONS:

It is expected from all persons covered under this Code of Business Conduct and Ethics that they will adhere to the principles and rules laid down in this code. The appropriate disciplinary action will be taken against the delinquent employee, officer or Director who is found to violate these principles and policies or any other policy of the Company.

The disciplinary action may include immediate termination of employment or business relationship at the Company's sole discretion. The Company will recover any loss suffered by it due to violation of the provisions of this code by any delinquent in legal manner.

All employees, officers and directors are encouraged to report any suspected violation promptly. The Company will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith.

The members of the Board of Directors and/or members of Audit Committee will be notified of any concerns about violations of standards for conduct of business, ethics, laws, rules, regulations or this Code.

17. WAIVERS:

The Board of Directors of the Company must approve any waiver or implicit waiver of any provision of this Code of Business Conduct and Ethics for a member of the Board of Directors or executive officer in writing and the same shall be promptly disclosed.

The Company Secretary of the Company must approve any waiver of any provisions of this Code regarding any other employee, officer, agent or contractor in writing.

Any such waiver will be disclosed in the Annual Report of the Company.

18. CERTIFICATIONS:

The directors / members of the Senior Management shall affirm the compliance with the code on annual basis in the format attached herewith as **Annexure – “A”**.

The Chief Executive Officer / Managing Director will make a declaration in the annual report for each year that the Company has obtained affirmation from the members of the Board of Directors and Senior Management Personnel about the compliance of code of conduct.

Annexure A: -

COMPLIANCE CERTIFICATE UNDER
THE CODE OF BUSINESS CONDUCT & ETHICS

Date: _____

From:

Name: _____
Designation: _____
Department: _____

To,
The Board of Directors,
Electrotherm (India) Limited

Sub: Compliance with the Company's Code of Business Conduct & Ethics ("Code") for the year ended _____

I, _____, do hereby solemnly confirm & state for the captioned period that

- I was aware of the Code applicable during the period;
- I understood the standards and policies contained in the Code;
- I also understood that there could be additional policies or laws specific to my job;
- I adhered to the Code in carrying out my duties as director / employee of the Company during the captioned period.

(Name)

(Designation)

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS:

ACKNOWLEDGEMENT FORM

I have received and read the Company's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Code of Business Conduct and Ethics and also understand that there may be additional policies or laws specific to my employment.

I, the undersigned, do solemnly agree to comply with the Code of Business Conduct and Ethics.

If I have any questions regarding the nature, applicability and scope of this Code of Business Conduct and Ethics, I know I can consult the Company Secretary of the Company, knowing that my questions or reports or complaints will be maintained in confidence.

I further agree to sign annually the acknowledgement form provided at the end of this Code of Business Conduct and Ethics, and return the same to the Company Secretary of the Company.

(Name)

(Designation)

Date: