

## CODE 7: OUR RESPONSIBILITY IN EXECUTION AND REPORTING

adverse employment action against the whistle-blower, who has reported the concerns/violations in good faith and has not been an accomplice to such violation or unethical practice.

**Do's**

- ✓ Report unethical or illegal actions of your employee/business partner/ third party doing business with your company;
  - ✓ Always try to report your concerns in writing;
  - ✓ Encourage your co-workers and business partners to report violations of the Code or such other unethical practices of any employee of the Company;
  - ✓ Report issues in good faith and which you believe, will cause disrepute to the Company;
  - ✓ As a manager, address issues raised by the whistle-blower immediately and adequately.
- \* Report concerns with mala-fide intentions or to satisfy any personal vengeance against an employee/ business partner/ third party;
  - \* Destroy the complaint letter to erase evidences of receipt of such complaint;
  - \* Intentionally or unintentionally breach the confidentiality that has to be maintained for protecting the whistle-blower.

**Don'ts**

- \* Show indifference to unethical or illegal practices adopted by an employee/ business partner/ third party;

U. Jany

**MUNJAL KIRIU INDUSTRIES**  
**PRIVATE LIMITED**

**CODE OF BUSINESS ETHICS**

July, 2017

V. Jany

## CONTENTS

|                                                                             |    |
|-----------------------------------------------------------------------------|----|
| Our Values                                                                  | 3  |
| <u>Code 1: Our Conduct With The Company</u>                                 |    |
| 1.1 Ethical Conduct                                                         | 8  |
| 1.2 Compliance With Company Policies                                        | 9  |
| <u>Code 2: Our Conduct With Each Other</u>                                  |    |
| 2.1 Equality and Non-Discrimination                                         | 11 |
| 2.2 Harassment-Free Work Environment                                        | 13 |
| <u>Code 3: Our Conduct In Industrial Relations</u>                          |    |
| 3.1 Child Labour Or Forced Labour                                           | 17 |
| 3.2 Health And Safe Working Environment                                     | 18 |
| <u>Code 4: Our Conduct With Business Partners</u>                           |    |
| 4.1 Conflict Of Interest                                                    | 21 |
| 4.2 Gifts, Entertainment And Favours                                        | 23 |
| 4.3 Customers                                                               | 25 |
| 4.4 Product Quality And Safety                                              | 27 |
| 4.5 Suppliers                                                               | 28 |
| 4.6 Confidentiality                                                         | 29 |
| 4.7 Media Relations                                                         | 32 |
| 4.8 Competition                                                             | 34 |
| <u>Code 5: Our Responsibility to Protect Assets and Financial Reporting</u> |    |
| 5.1 Protecting Company Assets Including IPRs                                | 37 |
| 5.2 Financial Reporting And Records                                         | 40 |
| <u>Code 6: Our Conduct With Government and Related Agencies</u>             |    |
| 6.1 Compliance With Applicable Laws                                         | 44 |
| 6.2 Political Non-Alignment And Contributions                               | 45 |
| 6.3 Government Agencies                                                     | 46 |
| 6.4 Bribery And Corruption                                                  | 48 |
| <u>Code 7: Our Responsibility in Execution</u>                              |    |
| 7.1 Understand The Execution Of The Code                                    | 52 |
| 7.2 Accountability Of Company In Case Of Violation Of Laws And Policies     | 53 |
| 7.3 Whistle-Blowing                                                         | 54 |

U. Jarray

## OUR VALUES

Munjal Kiriu is committed to achieve excellence in quality and adopt global best standards in its manufacturing process. It strives to create an environment where employees contribute to all aspects of its business processes and thereby

create a culture of "Total Quality". Continual improvement of its people, processes and products is one of the major focuses of the Company in India.

### Key Guiding Factors of the Code of the conduct



U. Jany

**LETTER FROM THE MANAGING DIRECTOR**

Dear Colleagues

One of the key drivers of a successful business is the way the organization's owners and employees conduct with each other and the third parties.

Munjal Kiriū is progressing in its business and the growth being witnessed by all those who have lived with the Company over the years, we are proud to welcome you to our written Code of Conduct. The Code has been drafted on what the Company and its group entities have been following in the yester years as a good practice and sets out the road ahead for its management and employees to have a successful journey.

The Codes highlights three interlinked fundamental business principles, Good Corporate Governance, Good personal conduct and Good corporate social responsibility. All of us shall strive to uphold at all times the highest standards of quality and ethics in working towards our vision. When we are faced with difficult situations, this Code may provide guidance on what is the right conduct.

We, independently and mutually, are the creators of Company's future and hence we should stay committed to do what is right and say what is true. Our reputation is in our hands and each of us is responsible to uphold the image and values of the Company.

Together, we'll make Munjal Kiriū the best place to work in and the best business partner to work with.

I look forward to working with you to make our Company the best it should be.

E. Tanimura  
Managing Director

U. Juvay

## PREAMBLE

The Code of Business Ethics lays down the principles and standards which MKIPL expects its directors/ management and employees (including casual workers) to adopt in their activities and behavior.

### Applicability

The Code is applicable to all its directors and employees, business partners who do or seek to do business with the Company. Unless explicitly mentioned otherwise, "employees" for the purpose of this code shall include

- i. Permanent Employees
- ii. Probationer
- iii. Substitute workers
- iv. Temporary workers
- v. Casual workers
- vi. Apprentice/ Trainee

### Purpose

The Code, in broad terms, aims to serve as a guiding tool to its directors and employees in their conduct. The code also provides detailed explanation and examples of situations which will be considered wrong conducts. However, the codes cannot be expected to address every situation, an individual might encounter and thus cannot be treated as exhaustive. Instead directors and employees will have to apply their diligence and independent thinking while performing their duties.

### Responsibilities

The leadership team and the senior management (Managing Director, Chief

Financial Officer or Chief Executive Officer) are expected to exhibit highest standards of ethical conduct and promote awareness among other employees on good behavioral conduct and lead their subordinates to conduct business in the right way. All employees and directors of the company are responsible for promoting good industrial relations.

### Reporting

Every employee is expected to report non-compliance of the Code at the workplace to their immediate supervisor/ human resources personnel/ senior management.

Respective human resource personnel/ Supervisor to whom any misconduct is reported by any employee shall immediately take necessary actions and report the same to appropriate senior management /directors of the company who is not directly or indirectly involved or connected with the employee against whom complaint has been made.

### Consequences of Breach

Breach of the Code by any of the persons to whom it is applicable may result in disciplinary action, which can include dismissal from employment, severing business relations or legal actions.

### Amendment to the Code

The Company reserves the right to amend, alter, and enlarge the Code from time to time to reflect the existing practices and policies

*L. J. Jany*

followed by the Company and the regulatory changes that may take place.

The Company will notify its directors and employees of any amendment made to the Code and they shall abide by the same.

4. January

## CODE 1: OUR CONDUCT WITH THE COMPANY

---

The directors and employees of MKIPL are expected to adopt most appropriate ethical conduct with each other and third parties who do or seek to do business with the Company. This section provides guidance on the following, which are deemed essential for any organization:

- 1.1 Ethical Conduct
- 1.2 Compliance with Company Policies

*L. J. Jans*

## CODE 1: OUR CONDUCT WITH THE COMPANY

**1.1 ETHICAL CONDUCT**

The business requires the directors and employees to respect all people. They must act diligently assuming full responsibility in performing their duties and reflect highest level of integrity in all their activities. The employees should at all times strive to uphold the integrity and image of the Company.

Following are some examples of unethical conduct by an employee. This list is only illustrative and not exhaustive. Any other act of an employee which disrupts the normal work environment causing disturbance to the co-workers or the overall business will be considered unethical by the Company.

**Do's**

- ✓ Respect and strictly adhere to Company's policies and practices;
- ✓ Display honesty in all your conducts;
- ✓ Work to uplift Company's image before the public and your business partners;

- ✓ Act diligently by bearing in mind that your actions should reap lawful benefits or advantages to the Company.

**Don'ts**

- ✗ Deliberately indulging in practices which are against the company polices or code of conducts;
- ✗ Engaging in unauthorized private trade within the premises of the factory;
- ✗ Threatening and / or intimidating any employee and visitor within the factory premises and precinct thereof, if any;
- ✗ Obstructing or attempting to obstruct the work of a co-worker;
- ✗ Malingering or seeking leaves on false pretexts

U. Jany

## CODE 1: OUR CONDUCT WITH THE COMPANY

**1.2 COMPLIANCE WITH COMPANY POLICIES**

The directors and employees shall abide by these policy guidelines both in letter and spirit.

intention of making him violate the same.

The employees may approach their immediate supervisor or the head of the concerned department for any clarifications with respect to the same or if they're faced with a situation where there is a conflict with the policy while performing their duties.

**Do's**

- ✓ Stay abreast with the policies of the Company;
- ✓ Educate your business partners/ third parties about policies applicable to them and the Company's expectations from them;
- ✓ Guide your subordinate when a new policy is implemented or when he/she is new to employment.

**Don'ts**

- ✗ Violating or attempting to violate or encouraging mass violation of the policies of the Company;
- ✗ Misguiding your co-worker about a policy whether with or without the

4. Janey

## CODE 2: OUR CONDUCT WITH EACH OTHER

---

Teamwork is regarded as a very important tool for success, as working together always encourages thinking and new initiatives and promotes mutual respect, sharing and collaboration.

MKIPL believes in teamwork that involves working together beyond functional boundaries, hierarchies and geographies. In order to achieve teamwork and create a positive environment for its employees to develop themselves, MKIPL has adopted the policy of being an equal opportunity employer without any type of discrimination and works to provide a harassment free work environment for all its employees.

While the code on Equality and Non-Discrimination explains the principles adopted by the Company for providing equal opportunities and fair treatment to all its employees to utilize their full potential, the Code on Harassment-free Work Environment intends to protect employees from unpleasant, malicious and other intimidating behaviors of their co-workers.

U. Jany

## CODE 2: OUR CONDUCT WITH EACH OTHER

**2.1 EQUALITY AND NON-DISCRIMINATION**

MKIPL is an equal opportunity employer and shall provide equal opportunities to eligible candidates irrespective of their caste, creed, religion, gender, age, disability, etc. The Company adopts the policy of equal pay for equals (i.e. same for men or women) and rewards and recognitions will be based on their performance, seniority, academic qualification, experience in and outside the organization, or alike factors and not influenced by any discriminatory factors such as caste, creed, religion, color, gender, age or disability. The Company will provide opportunities to all employees to develop their technical and soft skills through relevant trainings.

The employees of MKIPL should also provide a fair treatment to their co-workers at the workplace as well as outside the office premises.

While the Company strives to provide a work environment free from any discriminations, its employees should conduct themselves in achieving the same. The policy of non-discrimination applies to the Company's employees as well as those who do or seek to do business with us.

**Reporting Discriminations**

If any employee faces any kind of discrimination from his/her co-workers, he/she shall report the same to his/her immediate supervisor or to the Head of Human Resources (HR).

MKIPL expects its employees to report such discriminations in the right spirit and any ill-motives behind the employee reporting discrimination against him/her or against another employee or visitor or business partner will mean unethical conduct by such employee and violation of the ethical values of the Company.

**Do's**

- ✓ Respect your co-workers and visitors (at the workplace) and treat them with dignity;
- ✓ Work as a team towards the Company's vision and mission and value other's suggestions without showing any discrimination as to their caste, creed, religion, color, gender, age, etc.;
- ✓ Create a friendly atmosphere at the workplace suitable for all employees to work;
- ✓ All supervisors and staff of the Company will focus on self-

*U. Jany*

**CODE 2: OUR CONDUCT WITH EACH OTHER**

improvement and also guide the growth and development of their subordinates;

- ✓ Recognize the merits of your co-workers in their respective jobs.

**Don'ts**

- ✗ Deploy forced labour on the work floor;
- ✗ Allow recruitment process to be influenced by caste, creed, religion, gender, age, disability, etc;
- ✗ Discriminate colleagues, business partners or visitors at the workplace.

*U. Jany*

## CODE 2: OUR CONDUCT WITH EACH OTHER

**2.2 HARASSMENT-FREE WORK ENVIRONMENT**

MKIPL has 'zero-tolerance' towards harassments as it aims to provide a harassment-free work environment to all its employees, which otherwise will have an impact on the productivity and morale of employees.

Harassment refers to an offensive behavior towards a co-worker/ business partner/ third party that is discriminatory, malicious, intimidating, insulting, career limiting, humiliating or demeaning and creates an unwelcoming or hostile environment to a person or to the overall workplace.

It may be physical or verbal or through gestures or actions and may cause physical or mental agony to a person or a group persons. It includes any conduct or behavior which interferes with the normal working life of a person, whether it leaves an impact on his/her performance or not.

Harassments may be related to caste, creed, religion, beliefs, disability, age, gender, sexual orientation or even showcasing unreasonable superiority or power by a supervisor on his subordinate. It can be a conduct by a single employee or a group of employees towards a single person (employee or otherwise) or group of

persons (employee or otherwise) and can either be a repeated or a one-off incident.

Below are some of the examples of harassments:

- Abusing or insulting your co-worker;
- Providing demeaning tasks to your subordinates to demonstrate your superiority;
- Forcing your subordinate to accompany you for your personal work and threatening him of the non-consequences of not accompanying you;
- Setting up impossible deadlines for your subordinate to complete a task;
- Isolating a person or a smaller group of people based on their religion or caste or disabilities

Any type of harassment shown towards the opposite gender or the same gender, such as the following, would constitute sexual harassment. It could be towards co-worker/ business partners/ third party.

- Physical contact and advances;
- A demand or request for sexual favour;
- Sexually colored remarks;
- Any other unwelcome physical, verbal, or non-verbal conduct of sexual nature.

U. Jany

## CODE 2: OUR CONDUCT WITH EACH OTHER

The Company has no tolerance for any type of harassments caused by its employees to their co-workers/ business partners/ third party either within the office premises or outside.

### PROTECTION AGAINST HARASSMENTS

The Company encourages its employees to report instances of harassments to their immediate supervisors/ the HR Head of the Company. If no redressal is provided to the employee, he/she can report the same to the senior management.

The Company takes such allegations very seriously and reserves the right to take necessary action against the person alleged of causing harassments at the work place and may result in reprimand or dismissal of such employee.

### Do's

- ✓ Conduct yourself in professional manner with your co-workers and third parties with whom you interact on behalf of the Company;
- ✓ Discourage your co-workers who display unpleasant behaviors;
- ✓ Report harassments either caused to you or your co-workers to your immediate supervisor/ HR Head of the Company;

- ✓ Encourage your co-workers to report harassments to their immediate supervisors/HR Manager;
- ✓ Take harassment complaints seriously. As a manager/supervisor act responsibly to address such situations and discourage continuation of such behaviors;

### Don'ts

- ✗ Spread rumors or malicious information about an employee (whether pertaining to official or personal life);
- ✗ Circulate e-mails or messages containing malicious text or pictures which may invoke racism or are sexually offensive in nature;
- ✗ Use such other electronic medium including chat rooms or public forum to post abusive text or pictures about the Company or its employees/ business partners;
- ✗ Use physical force on other employees/ business partners either within or outside the office premises;

### Frequently Asked Questions

1. I was working as a casual worker in the factory and have been taken on the rolls of the Company very recently. The

*U. Jany*

## CODE 2: OUR CONDUCT WITH EACH OTHER

employees still look at me as a casual worker and isolate me in their social activities. What should I do?

You can raise the issue with your immediate supervisor. If you're not comfortable doing that or if he does not redress your situation, you can approach the HR personnel. He will be able to talk to the other employees to stop such behavior.

2. I'm the only female employee in my department. The male employees make derogatory jokes about their opposite gender at the workplace and I feel uncomfortable to be present in such situations. What should I do?

Making inappropriate jokes at the workplace, whether sexual or otherwise, is prohibited and you should report it to your immediate supervisor. In case you're uncomfortable in expressing your position to him/her, you can approach the HR personnel (male/female) with whom you'll be able to discuss about your situation.

3. I am an employee of the company working for XYZ department. My immediate supervisor usually gets his personal work done by the employees. However, when he asked me to go out

of the company for an hour to do some of his personal work, I refused as I had lot of official work pending which I wanted to complete on time. Since then my supervisor holds grudge against me and allocate me loads of work with short timelines. I have to sit late in office everyday to finish the work. I am afraid to complain to his boss (head of my department) as my supervisor is in good terms with him. What should I do in this situation?

It is completely against the ethics of the company to get personal work done from the employees or subordinates by the supervisor unless it is extremely important on moral grounds with the permission of management. It is always suggested to communicate such instances or issues to your head of the department first. However in exceptional circumstances if you feel no action would be taken by him as he is in good links with your supervisor, you can directly communicate to the Head of HR department and still if no action is taken by the HR with in suitable time, you can communicate the issue to the senior management by the appropriate channel.

U. Jany

## CODE 3: OUR CONDUCT IN INDUSTRIAL RELATIONS

MKIPL, being a manufacturing entity, emphasizes the need of maintaining good industrial relations between the management and the employees of the company.

MKIPL believes that good industrial relations can be created only on mutual trust, confidence and respect for each other's work and interests. The management and the employees shall co-operate with each other and accommodate differences in culture, religion, beliefs, values and social attitudes. This would go a long way in promoting efficiency of the employees and minimize the room for disputes.

The management is open to address the grievances of the employees when approached in the appropriate manner. While it will be the effort of everyone belonging to the Company to promote good industrial relations, the management and employees must also stay committed to adopt the legal approach, be it formation of trade unions, negotiations, employment of children or women, etc.

U. Jany

## CODE 3: OUR CONDUCT IN INDUSTRIAL RELATIONS

**3.1 CHILD LABOUR OR FORCED LABOUR**

**Child Labour:** No child below the age of fourteen (14) years shall be employed in the factory. Employment of children above the age of fourteen shall be subject to the regulatory requirements with respect to his/her fitness, working hours, medical examination, etc. that are applicable to the Company and the legal personnel of the Company may be contacted for any queries with respect to the same.

**Forced Labour:** When a person is made to work involuntarily, it can be termed as forced labour. Forced labour is universally condemned and MKIPL views deployment of forced labour in its workplace very seriously.

Any employee or the contractor who deploys a child to work or causes such forced labour shall be deemed to have

violated the Code of the Company and can be subject to disciplinary action.

**Do's**

- ✓ Communicate the Company's policy on child/forced labour to those Contractors supplying manpower to the Company;
- ✓ Discourage false reporting of age of a person by the person himself or the Contractor;
- ✓ Obtain consent from the laborer to work on the shop floor before deploying him on work to avoid instances of forced labour.

**Don'ts**

- ✗ Encouraging bonded or forced labour;
- ✗ Permitting a child to work in the factory without a medical fitness certificate, whenever necessary.

4. Janas

## CODE 3: OUR CONDUCT IN INDUSTRIAL RELATIONS

**3.2 HEALTH AND SAFE WORKING ENVIRONMENT**

MKIPL has a strong commitment towards providing a healthy and safe working environment to all its employees. In addition, as a manufacturing unit, the Company has to abide by the provisions relating to health and safety contained in the applicable regulations.

No person shall be required or allowed to work at any dangerous machine unless he has been fully instructed as to the dangers arising from it and the precautions to be observed as well as has received sufficient training in work at the machine.

For the benefit of the employees, the Company has affixed the instructions relating to health and safety while entering into the shop-floor at various locations visible to the employees. The employees have to act responsibly to maintain a clean and organized workplace that does not cause any hazard to anyone operating on the shop-floor or the office area or anyone visiting the Company.

**Responsibility to ensure safety of third parties within office premises**

If an employee requires to take certain customer or supplier around the factory (with the approval of your supervisor/management), the concerned

employee will be responsible to ensure that the customer or supplier is informed about the health and safety measures and they use all the necessary safety equipments, required to be used before entering the shop-floor.

Failure to comply with the health and safety norms or consecutive violation of one or the other requirement may result in disciplinary action against the employee, which may also lead to termination of the employee.

**Duty to Safe-guard Environment**

While MKIPL strives to contribute to a cleaner environment, its employees have to comply with the applicable environmental legislations and act prudently to reduce damages to the environment.

The employees of the Company should dispose scrap, dust, etc. generated during the course of production as per the applicable environment regulations.

**Do's**

- ✓ Adhere to policies, instructions and health and safety requirements communicated orally or in writing or

U. Jany

## CODE 3: OUR CONDUCT IN INDUSTRIAL RELATIONS

posted on notice board from time to time;

- ✓ Attend trainings in relation to handling machineries, noise assessments, first aid tips, emergency evacuations during fire, etc provided by the Company periodically;
- ✓ Undertake activities or duties for which you are posted and trained; especially while working on heavy machineries;
- ✓ Ensure the workspace is adequately ventilated, not overcrowded, contains sufficient lighting, clean toilet facilities,

drinkable water and sanitary facilities for food storage.

- ✓ Notify supervisor immediately in case of any emergency or accident.

**Don'ts**

- ✗ Carry any type of weapon into the office premises;
- ✗ Consume alcohol or be under the influence of drugs during working hours or in Company premises.
- ✗ Carry safety or protective equipment provided by the Company outside the Company premises.

Y. Jany

## **CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS**

---

MKIPL believes in conducting oneself in the most ethical means as it is important to its business. The Company deals with various stakeholders such as vendors, customers, government officials, etc. and therefore, its employees should treat all people with respect and dignity. Any conduct which in any ways shows disrespect, insult, intimidation, discrimination, harassment, profanity or such other ill-feeling to its stakeholders or any other third party, will imply a violation of the Code of Conduct by the employee.

This Chapter covers the following sections:

- 4.1 Conflict of Interest
- 4.2 Gifts, Entertainment and Favors
- 4.3 Customers
- 4.4 Product Quality
- 4.5 Suppliers
- 4.6 Confidentiality
- 4.7 Media Relations
- 4.8 Competition

4. Jany

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.1 CONFLICT OF INTEREST**

Conflict of interest can be explained as a situation where an action or decision is influenced by or perceived to be influenced by personal interests.

MKIPL believes in fair and transparent dealing in relations to its business operations. Any actions or decisions taken by the management are in the best interests of the Company and not in favour of any person. To conduct a fair and transparent business, the directors and employees must not enter into business relationships or transactions with anyone including their relatives that may entail personal gain to them.

The employees, workers and directors shall not enter into relationships or create personal obligations with third parties with whom the Company conducts business as it may interfere with the judgments to be taken in relation to such third party.

Below are some of the guidelines directors and employees have to be watchful of what they should do and not do when a conflict of interest situation arises:

**Do's**

- ✓ Inform the management on a timely manner if a potential or an existing

business partner (vendor/ customer) is your relative;

- ✓ Disclose any interest that you may have in any transaction to your supervisor or management as applicable.

**Don'ts**

- ✗ Enter into any personal obligations or relationships with the business partner;
- ✗ Exploit your position or decision making power to derive a personal gain by appointing suppliers or customers where you've financial interest;
- ✗ Take business decisions where the third party involved in the transactions is in anyway related to you
- ✗ Compete with the Company while still employed with the Company.

The directors of the Company are bound to make necessary disclosures of corporate or non-corporate bodies where they or their relatives have financial or controlling interests. The disclosures shall be made on a yearly basis and also as and when they acquire such interest during any part of the year.

If you're faced with a conflict of interest situation and you have any doubts relating

*U. Jany*

**CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS**

to whether there is a conflict of interest, you should approach your immediate supervisor for necessary guidance.

**Frequently Asked Questions**

4. I work as an executive in the PPE team of MKIPL. My family is into the business of supply of steel scrap for foundries. Can I ask them to bid for supplying steel scrap to my Company?

No, the Company expects you not to gain a personal benefit at Company's expense. Appointing relatives as dealers may be avoided by all means. As an employee, you may be aware of the current rate at which the Company is buying steel scrap from suppliers and your family bidding for supply may mean a conflict of interest situation.

However, if the Company is in need of a steel scrap supplier and could not source one, you can refer your family business to your immediate supervisor/ the management and leave it to them to decide whether to appoint them or not.

5. My sister has been offered an employment in my Company though in a different department from which I work. Is there still a conflict of interest situation?

You are required to report the relationship between the two of you to your HR personnel and leave it to them to decide whether to take your sister into employment or not. You should not try to influence their decision.

6. I'm in need of a loan and the amount I'm eligible to borrow from my Company is not sufficient to meet my requirement. One of my suppliers offered me to lend money, which does not carry any interest. Can I borrow the money from him?

No, in any situation, you should not borrow money from your supplier, whether with interest or without interest, as it may cloud your decision while selection of suppliers.

4. Jarvis

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.2 GIFTS, ENTERTAINMENT AND FAVORS**

All business decisions of the Company are based on legitimate business considerations. The code of conduct of the Company prohibits accepting or offering gifts or unreasonable business courtesies (including, inter alia, meals and entertainment expenses)

No employee or worker or director shall accept from or offer to the Company's vendors, customers, government officials or such other third party, any gifts directly or indirectly through relatives.

Following general principles need to be adhered to in all cases of gifts and business courtesies:

- The gifts and business courtesies received or offered should not be done for purpose of influencing business decisions.
- Receiving and giving gifts and favour are generally not acceptable.
- In case the refusal to accept gifts or specific hospitality in certain circumstances would cause offence to the giver, you may accept gifts valued not more than INR 1,000. In case the value of gifts exceeds INR 1,000 the "procedure for out of the policy gifts" must be followed.

**Do's**

- ✓ Refuse to accept gifts from your business partners;
- ✓ In case acceptance becomes inevitable, consult with your immediate supervisor before acceptance of the gifts from them;
- ✓ If you think the gift is offered to obtain some business favour or influence your business decision, refuse to accept or return the gift explaining your Company's policy politely to the person.

**Don'ts**

- ✗ Offer a gift of any type (including cash or cash certificates) to your business partners;
- ✗ Accept any gift which you feel is inappropriate to the business you do with him;
- ✗ Accept any gift in lieu of business consideration for the transaction done with the person;
- ✗ Use your position to enrich yourself at the cost of the Company;
- ✗ Offer gifts to any customer or government officials to obtain or which appears to obtain an unfair advantage.

4. James

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

Examples of gifts or favour that is not acceptable:

- Accepting a pen worth INR 5,000 from a vendor who seeks to do business with your Company;
- Offer by your supplier for a personal trip with your family to fly abroad for a vacation;
- Offering to a government official who is on a business trip at your office to take him and his family for a tour around your city at Company's expense;
- Offering a ticket to your customer to watch a cricket match.

## Frequently Asked Questions

1. My supplier, who is based out of Bangalore, offered me a trip to visit his factory. He told me that I can come along with my family and visit the city. Can I accept his offer?

No, as long as your job does not require you to visit the suppliers' factory, it cannot be regarded as a business trip. In addition, offers for family trips along with business trips are regarded as gifts and hence should be refused.

2. One of my suppliers offered me a gold-plated pen along with some sweets for Diwali. Can I accept the same?

The Company allows for acceptance of gifts, which are customary in nature. Accepting sweets is permitted. However, you should refuse or return the gold-plated pen to the supplier as it is a gift and can be regarded to influence your business decision with respect to the supplier.

4. January

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.3 CUSTOMERS**

Customers are very important to our business. Employees should bear in mind that customers are the reason for our existence and their satisfaction should be the centre point driving all our activities.

Every employee should treat customers with utmost respect and display highest level of ethical and professional conduct in dealings with them. Employee represents the Company in their dealings with the customers and therefore, they should deal in a way that creates value for the Company.

Working towards customer delight and thereby winning their confidence shall be the motto of the management and the employees.

**Do's**

- ✓ Be polite and respectful to your customers and strive to win customer's confidence;
- ✓ Understand customer's requirements and offer customized products/solutions;
- ✓ Be transparent and fair in representing the price and quality of the products;

- ✓ Strive to meet customer deadlines and be responsive to their.

**Don'ts**

- ✗ Discriminate amongst customers;
- ✗ Mislead your customers on the quality, price, quantity, etc. of a product;
- ✗ Share information related to one customer with another customer.

**Frequently Asked Questions**

1. I work as Assistant Manager in the Business Development Team, which interacts directly with the customers. While the production of a particular product for a customer was in-progress, the customer called me and asked if we could deliver the products one week in advance of the scheduled date of delivery. My manager was on leave and he vested me with some powers to take decisions during his absence. I know that we were actually ahead to the production schedule and hence we could deliver the products one week in advance as requested by the customer. Can I go ahead and give him a commitment?

Though you may be vested with some powers by your manager to take certain

*U. Jany*

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

decisions in his absence, you cannot commit on changing the deadlines of deliver without his consent and in his absence, you've to escalate the request of the customer to the management team, understand whether the deliver could happen as per his request and communicate to the customer as per the directions of the management.

2. I head the Business Development Team of MKIPL. Recently, we received a huge order from a customer with tight delivery schedule. We knew that due to Diwali season, there would be shortage of manpower and hence the said deadlines would be difficult to meet. However, we do not wish to lose the order and hence I wish to commit the quantity required as per the customer's deadlines and manage the manpower shortage internally. Can I do this?

No, when you're aware that there would be manpower shortage due to the festive season, you should not commit to the deadlines of your customer and later regret of not having been able to meet the same. Instead, discuss the manpower availability with your management, understand how much time would be required to deliver the products and politely make your customer understand the requirement of extended timelines. Never over-commit and under-perform.

U. James

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.4 PRODUCT QUALITY AND SAFETY**

The main goal of the company is to achieve "total quality" in its products, which will make it a preferred partner to its customers. Employees shall also work towards continuous improvement in quality of the company's manufacturing process and its products.

The company encourages its employees to share their ideas that may improve the quality of the product or its safety features or even those that may improve the quality or increase efficiency in the production process.

Under no circumstance shall any employee attempt to compromise the quality and safety of a product in order to lower cost of production or meet sales deadlines or large orders. Lesser customer rejections are an indicator to improving quality in products and processes.

**Do's**

- ✓ Improve efficiency, eliminate waste and achieve quality in the manufacturing process as well as the final products;
- ✓ Encourage your subordinates in bringing new ideas that may improve product quality or reduce cost and time in the manufacturing process;
- ✓ Maintain quality as per the international quality standards.
- ✓ Report any deviation with internal quality parameters you are aware of.

**Don'ts**

- \* Trade-off quality of a product to reduce cost or increase profit margins.

U. Jany

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.5 SUPPLIERS**

Suppliers are key to our business. The Company needs to maintain cordial relationship with all our suppliers that enable us to the match requirements of our customers. Our employees must strive to achieve continued business relations with trusted suppliers. We must demonstrate highest level of ethical conduct while transacting with the suppliers.

The employees shall bear in mind the capability, credibility and the previous experience regarding the quality of raw materials or products supplied by the suppliers (in case of existing suppliers) before entering into business relations with them. The Company should avoid hiring suppliers who has a past history of supplying bad quality materials or delays in supplies.

No employee shall accept any favour or adopt unethical means to hire a supplier. Any violation to the above will be treated as a violation of the Code. It is the duty of every staff who is directly dealing, interacting with the suppliers to report any complaints, concerns or issues raised by supplier to senior management as soon as it

comes to his notice and beyond his power of duties.

**Do's**

- ✓ Adopt a transparent and fair vendor selection process and vendors are selected on basis of technical capabilities and commercial prudence;
- ✓ Insist on lawful dealing and seek to do business with suppliers who agree to comply with Company's commitment towards integrity, transparency and legal compliance;
- ✓ Educate them on the ethical conduct the Company expects from them through clear communication channels;
- ✓ Disclose Conflict of interest if any with suppliers of MKIPL.

**Don'ts**

- ✗ Accept any favour from a supplier;
- ✗ Favour vendors in winning business from the Company;
- ✗ Share confidential information such as bids of other supplier or Company's benchmark price with any supplier;

U. J. J. J.

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.6 CONFIDENTIALITY**

MKIPL deals in manufacturing of products based on the designs/ drawings provided by its customer or MKIPL inventing a new product for its customer. These designs/ drawings are the intangible properties of the customers and MKIPL has no right over them. It has to protect these assets with utmost confidentiality. Maintaining confidentiality of information whether of MKIPL's, its customers or its vendors is very important to build trusted relationships.

This section lays down the guidelines directors and employees should be mindful of when they come in possession of a confidential or a price or competition sensitive information.

**How can you maintain confidentiality?**

- Know whether the information you're in possession of is confidential information or not;
- When there are agreements binding a deliverable, understand the level of confidentiality mentioned in the agreement;
- Classify information pertaining to your function as
  - **Highly Confidential** – highly sensitive information, access to which is provided to a select few, with prior approval and requires highest level of

protection from any unauthorized access, disclosure or tampering;

- **Confidential** – information that may be shared with selected team members with/without prior approval, though with the restriction of not to disclose to other persons;
- **Internal Use Only** – information that is meant only for circulation to the employees of the Company or to a specific department;
- **Public Information** – information that can be shared with the public
- Train your subordinates on confidentiality expected from them and the consequences of violation thereof.

**Do's**

- ✓ Protect all the designs/drawings of your customers with highest level of confidentiality;
- ✓ Restrict access to confidential information to selected employees and prevent leakage of such information through security policies;
- ✓ Monitor the mail communications of employees to detect any leakage of information;
- ✓ Consult with your superior about sharing information during meetings

*U. Jarray*

**CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS**

including trade association meetings or if required by any law;

**Don'ts**

- \* Discuss or make public customer or supplier related confidential information with your co-worker or any third party including your family members;
- \* Discuss confidential matters of the Company or its business partners in public including public forums or chat rooms;
- \* Try to obtain confidential information of business partners through illegal means;
- \* Store confidential information in places which is easily accessible to the public;
- \* Send Company's or business partners confidential information to your personal e-mail IDs.

**Frequently Asked Questions**

1. One of my friends working for a foundry in Delhi, called me to ask for the price quoted by MKIPL's suppliers for iron scrap. He wants to know this to understand the market rates and if he can get a supplier for a lesser value. Can I disclose the information to him?

No, you cannot disclose any information related to the price offered by your suppliers, whether or not he has won the bid. If you do so, it'll be regarded as breach of trust and thus violation of the Code of the Company.

2. One of my customers called me while I was on a vacation and asked if we could produce a particular product for him based on the designs he would be providing us. He said he could mail me the designs for me to have a look at it. As I was on vacation, I did not have access to my official mail ID. Since refusing to honor customer's request may end up in losing business, I thought I can ask him to send the drawings to my personal mail ID, which I'll be able to access from any internet centre. Am I right in asking him to send the drawings to my personal mail ID?

No, you cannot do ask your customer to send the drawings to your personal mail ID. Drawings are considered as confidential information of the customer. Instead you can explain to him politely that you are on a vacation and ask if you can review the drawings after joining office. If the customer is expecting an immediate response, you can request to your immediate supervisor/subordinate to review these

*U. Jany*

CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

drawings and keep your customer  
informed of the same.

U. Jarvis

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.7 MEDIA RELATIONS**

Communication to the media has to be handled with utmost care and this section provides guidance on making Company's information public. Only persons authorized to communicate with the media on behalf of the Company, shall interact with media persons.

No director or employee shall act in a way or communicate anything to the media that would bring disrepute to the Company. If you wish to provide personal opinion on any subject matters which are industry related or general, you shall clarify the same and not represent the Company unless authorized to do so.

If any media representative contacts you for any information about the Company, you're required to direct him/her or his/her query to the appropriate person in the Company who is authorized to speak to the media. If you choose to represent the Company without authorization, the Company reserves the right to take disciplinary action against you which may include even termination from employment.

**Do's**

- ✓ Speak to the media only if you're authorized to speak on behalf of the Company;
- ✓ Ensure all statements made by you are true, fair and not confidential;
- ✓ Consult with your immediate supervisor or persons who deal with the media before providing any information about the Company to any reporter or analyst;
- ✓ Obtain approval from your department head/ immediate supervisor before you make presentations in meetings (including trade associations), where the audience includes people outside the Company.

**Don'ts**

- \* Make any statement to any person outside the Company which may cause reputational damage to the Company;
- \* Make forward looking statements such as proposed induction of a director or potential order of huge value from customers without the prior consent of the concerned person;
- \* Use public forums on the internet to discuss company matters;

*U. Jany*

**CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS**

- \* Make false representations about the Company whether acting on behalf of the Company or on your own behalf;
- \* Provide negative personal opinions about the Company to the media without making it clear that they are only personal opinions.

Le. Jarray

## CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS

**4.8 COMPETITION**

MKIPL is committed to promote fair competition in the business. Company intends to carry its business activity with highest standards of integrity and remain compliance with applicable provisions of competition laws.

The company must compete enthusiastically with its competitors and not attempt to join hands with them to exploit the business opportunities, partners or the society, thereby benefitting themselves.

**Do's**

- ✓ Abide by the applicable provisions of competition laws;
- ✓ Adopt fair competition practices and be transparent to your customers;

**Don'ts**

- ✗ Impose unreasonable restrictions on your customer or supplier;
- ✗ Discuss price fixing, allocation of market or territories for supplying customers, limiting production or any such matter with the Competitor;
- ✗ Indulge in bid rigging processes including submission of sham bids;

- ✗ Use trade/ industry associations to discuss sensitive information about your Company, your competitor or your business partner;
- ✗ Make false statements about your competitor to your customers regarding their products, processes, prices, etc.;
- ✗ Obtain confidential information about your competitor illegally;
- ✗ Discuss with competitors any matter that is construed as anti-competitive in nature.

**Frequently Asked Questions**

1. I went for a movie with my family and met one of my ex-colleagues at the theatre. He is working with X Ltd., competitor of MKIPL. We casually started discussing about our job when he asked me about the prices of steel scrap at which MKIPL is purchasing. He also offered to share information about the price of steel scrap at which X Ltd. is purchasing. He further mentioned that if both of us shared these prices on an ongoing basis, we can try to negotiate with the suppliers to get a further lower price of the material. This will ultimately benefit both of the companies. Can I agree with him to do this?

*L. Jany*

**CODE 4: OUR CONDUCT WITH BUSINESS PARTNERS**

No, working together with competitors to exploit the supplier will be regarded as anti-competitive practice and hence you should not indulge in the same. You should not disclose the price at which MKIPL is buying steel scrap to your ex-colleague. Doing so will be a violation of the Code. It may not only lead to the Company getting penalized by the regulatory bodies, but will also cost your job.

49. James

## CODE 5: OUR RESPONSIBILITY IN PROTECTING COMPANY ASSETS AND FINANCIAL REPORTING

---

The management and employees of MKIPL are entrusted with the responsibility to protect its assets, tangible (physical and financial) and intangible (intellectual property or otherwise). The Company will comply with all applicable laws and regulations (including GAAPs) in each jurisdiction where we operate.

The management and employees should adopt a transparent way of carrying out our operations and record and report accurate data and results. In addition, we should exercise diligence in the use of our assets and resources.

We should also learn to respect the rights of our business partners and protect their intellectual property rights which we may come in possession for doing business. We should protect the confidentiality of the personnel and third parties and not attempt to access the records in an unauthorized manner.

With respect to financial recording, all documents shall be retained in the manner and for the period prescribed in the applicable laws and acts and the requirements of the Company.

*U. Jany*

## CODE 5: OUR RESPONSIBILITY IN PROTECTING COMPANY ASSETS AND FINANCIAL REPORTING

**5.1 PROTECTING COMPANY ASSETS INCLUDING IPRs**

The directors and employees should act with utmost diligence and responsibility in protecting the assets of the Company and ensure that they are used for legitimate business purposes only.

MKIPL's assets includes its funds or currencies (either cash or bank accounts), documents of its employees and business partners (current or past) financial and costing records, plant and machinery, tools, spares and consumables, inventory (raw materials/work-in-progress/ finished goods), designs or patterns created and owned by MKIPL, information technology assets, etc.

**(A) Protection of Funds**

The directors and employees shall utilize the funds of the Company in the most diligent and efficient manner and shall not misappropriate the funds of the Company by misusing their authorities or entitlements under applicable policies.

**(B) Protection of Assets including Information Technology**

Resources such as machinery and equipment, computers (laptops/ desktops), telephones/ mobile phones, internet and e-mail access are provided to the directors and/or employees to perform their work in

support of the Company's business. Any electronic data stored on the Company computers are the property of the Company.

While these assets are meant to be used only for business purposes, no director or employee can claim any privacy when using Company's assets. The directors and employees have to safe-guard the assets from any theft or misuse or damage.

**(C) Protection of Intellectual Property Rights**

As manufacturers of automobile ancillary parts, MKIPL deals with various designs and industry patterns (intellectual properties) which may be unique for each product and each customer. These designs and industry patterns may be the assets of MKIPL or its customers. The rights in these intellectual properties, whether MKIPL's or others, must be duly protected by the directors and employees of the Company and disclosure of the designs or industry patterns to any third party without the consent of the top management of the Company shall be regarded as violation of the Code of Conduct.

4. January

## CODE 5: OUR RESPONSIBILITY IN PROTECTING COMPANY ASSETS AND FINANCIAL REPORTING

**(D) Protection of Personnel or Third Party information**

Information related to MKIPL's employees such as employment contracts, appraisal letters, separation documents, etc. are the assets of the Company and shall be kept in safe custody of the person responsible for the same. Unauthorized access to the personnel documents including tampering, destruction or unauthorized disclosure of information about an employee to another is strictly prohibited.

Similarly, unauthorized access to agreements or correspondence with third parties or unauthorized disclosure of information about a third party to any person is considered as violation of the Code.

**Do's**

- ✓ Make diligent, legitimate and optimal use of Company's assets;
- ✓ Protect Intellectual Property Rights (IPR) such as designs, industry patterns, patents, etc. of the Company and respect others (customers' or competitors' or otherwise) IPRs;
- ✓ Abide by the record retention policy of the Company, which is aligned with applicable statutes and laws on the company.

- ✓ Return Company's assets in good condition at the time of separation from the Company;
- ✓ Follow your Information Technology policy to understand the guidelines relating to access, security, e-mails, internet usage, etc.

**Don'ts**

- \* Use Company's assets for personal purposes other than limited and permitted usage;
- \* Misuse or cause damage to the Company's assets;
- \* Sell Company assets or purchase assets on Company's behalf without authorization;
- \* Permit your business partners to use Company's assets for their personal purposes;

**Frequently Asked Questions**

1. Our Company has a policy of claiming allowance on travel when an employee has to work on a holiday or is working overtime. Mr. X, an employee, usually offers a pick-up and drop on his two-wheeler to Mr. Y, another employee, when they work on holidays. Mr. Y would still make a claim for travel allowance as per the policy demonstrating that he used his own

4. Jany

## CODE 5: OUR RESPONSIBILITY IN PROTECTING COMPANY ASSETS AND FINANCIAL REPORTING

means of commutation allowed under the policy and later the allowance will be shared between X and Y. Can I permit them to make such claims?

No, the Company's policy on travel allowance for working on holidays is applicable only when the employee has actually incurred expense on travel as per the mode permitted in the policy. Claiming of expense when an employee actually obtained a free ride will amount to misappropriation of the funds of the Company and imply a breach of the Code.

2. I invented a design for a product for one of my Company's customers at their request. The design has some advanced features, which I wish to explain to the media and some of my friends in the industry. The customer will anyway talk about the same while promoting his new product. Can I do it?

No, any design or drawing which MKIPL invents for its customers are the property of the customer and the latter enjoys intellectual property rights over such design/ drawing. However, if you wish to talk to anyone about the features of the product only, it can be done only at your customer's request or with your customer's prior approval and preferably in the presence of your customer's spokesperson.

U. Jany

## CODE 5: OUR RESPONSIBILITY IN PROTECTING COMPANY ASSETS AND FINANCIAL REPORTING

**5.2 FINANCIAL REPORTING AND RECORDS**

Accuracy and completeness in financial reporting and financial records is implicit in conducting business with integrity, transparency and fairness. Financial records here include Income statement, Balance sheet, Cash flow statements, costing records and any other records etc. which are required to be maintained by MKIPL under the applicable regulations.

The Company shall prepare and maintain its accounts fairly in accordance with the generally accepted accounting principles, guidelines, financial reporting standards, laws and regulations of India (IGAAPs and IFRS) as applicable and amended from time to time.

The directors and the senior management of the Company are responsible for certifying the financial statements and thereby they're vested with the duty of ensuring that the financial statements reflect the true and fair facts of the Company's financial position and are not misleading.

**Maintenance of Financial Records**

The financial records shall be retained or preserved as per the requirement under the applicable laws. In instances where there are pending or potential litigations or

ongoing or potential government or internal investigations, appropriate financial records pertaining to the same shall be preserved irrespective of the time duration laid down under the law for preservation of such records. Destruction of financial records must be done only after due consent of the head of finance or the senior management.

**Access to Financial Records**

While the financial statements can be accessed by the shareholders and other stakeholders of the Company, the financial records shall be accessible only to internal/external auditors of the Company, other authorized parties and government agencies as per the requirement.

**Reporting Violations**

The employees shall abide by the authority matrix while recording and reporting financial transactions. There shall be no intentional omissions or fraudulent reporting of any transactions or undisclosed or unrecorded account, fund or asset. If any employee comes across any instance of improper or inaccurate or fraudulent recording or reporting the financial transactions such as the following, he/she must inform the head of finance or the senior management:

U. Jany

**CODE 5: OUR RESPONSIBILITY IN PROTECTING COMPANY ASSETS AND FINANCIAL REPORTING**

- Recording of a material expense without relevant supporting documentation or recording an expense item twice
- Errors noticed in entries posted in the past such as capital expenditure booked as revenue expenditure
- Direction by your immediate manager to create a false entry or post an entry that violates the basic accounting principles

If the Company later discovers such instances of violation, it reserves the right to take stringent action against those employees who caused such improper reporting and also those employees who were aware of such violation but chose not to report to the management.

**Do's**

- ✓ Record financial transactions with accuracy and in compliance with the basic accounting principles;
- ✓ Prepare financial reports in compliance with the generally accepted accounting principles and standards;
- ✓ Report violations of Code to the management.

**Don'ts**

- ✗ Record or encourage recording of improper or fraudulent transactions;
- ✗ Willful misrepresentation of the financial position of the Company.

**Frequently Asked Questions**

1. During the last quarter of this financial year, a customer placed an order for a product for the subsequent financial year. However, my supervisor advised me to record the sale transaction for this financial year as the order has been confirmed. Can I do this?

No, as per the accounting principles, revenue should be recorded in the books of accounts only after its recognition. Though the order is confirmed, the sale is not complete. Hence, you cannot record the transaction for the current year. You can escalate the issue with the head of finance in case your supervisor insists on recording the sale for the current year.

2. A customer, who does small scale business with the Company, has recently filed an insolvency petition with the court. He owes a sum of INR 5 lakhs to MKIPL. The customer is a family friend of my supervisor.

4. Jany

## CODE 5: OUR RESPONSIBILITY IN PROTECTING COMPANY ASSETS AND FINANCIAL REPORTING

Therefore, he asked me to write-off the customer's account as bad debt and also destroy all invoices and correspondence relating to him on the grounds that the customer will no longer continue to purchase from the Company and his records are nothing but space-consuming. What should I do?

You should not destroy the records of the customer because if the Company decides to sue him to recover the debts, these records will stand as evidence before the court for the amount he owes to the Company. You should consult with the legal team before destroying any record where there is a potential or an ongoing litigation.

U. Jarray

## CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES

---

MKIPL is committed to adhere to all applicable laws, rules and regulations both in letter and in spirit. When there are no legislations to guide a particular conduct, MKIPL will try to adopt the best industry practice which is acceptable by the society in large

While we should act as responsible citizens of the country, the Company in its legal capacity will not participate in any political activities or support any political party.

We will work to build relationships with government agencies through honest and transparent actions and not indulge in any form of bribery and corruption in course of our business activities.

Following sections explains the approach adopted by the Company.

- 6.1 Compliance with applicable laws
- 6.2 Political Non-alignment and Contributions
- 6.3 Government Agencies
- 6.4 Bribery and Corruption

U. Jany

## CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES

**6.1 COMPLIANCE WITH APPLICABLE LAWS**

The Company is committed to comply with the applicable laws and regulations. No director or employee will, under any circumstances, commit a breach or violation of the law or conduct themselves in contrast to the social norms, even if doing so would seem to be in the interests of the Company.

When there are differences between the legal provisions and the practices adopted by the Company, it will try to adopt the one that sets the highest standards of ethical behavior and also be considered lawful. When such conflicting instances arise, the subordinates must contact their immediate supervisor for guidance to address the situation and must not act under assumptions.

For any perceived or potential violation of the regulatory compliance, the legal personnel or the management must be informed of the same for necessary action.

**Do's**

- ✓ Each employee should know the law applicable to their area of work;
- ✓ Diligently submit reports or make disclosures required under necessary provisions;

- ✓ Take business decisions that comply with the regulatory norms

**Don'ts**

- ✗ Adopt unlawful or illegal methods assuming the same would benefit the Company's business.

48. Faray

## CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES

**6.2 POLITICAL NON-ALIGNMENT AND CONTRIBUTIONS**

The directors and employees shall bear in mind that the Company does not engage in any type of political activity. The directors or employees shall not represent the Company in any political activity nor shall they use the resources of the Company for any political purposes.

However, the Company respects your individual right to participate in political activities. If you wish to seek membership of any local/ public body such as the following, you shall obtain necessary prior permissions from the senior management.

Further, the directors or employees cannot work on any political activities during office hours nor permit any political party to use Company's assets for their activities.

In addition, no donations or contributions will be made by the Company to any political party, directly or indirectly. Directors and employees shall not make any donations or contributions on behalf of the Company, whether from their personal resources or from Company's resources.

**Advocacy on Policy Debates**

As a policy, the Company will not directly or indirectly participate in party politics but will continue to engage in policy debate on subjects of legitimate concern to the industry, its staff and the communities in which it operates.

**Do's**

- ✓ If you're a new joiner, inform the Company if you're a member in any of the political organisations;
- ✓ If you're in employment and wish to join any political party or participate in any political activities, obtain necessary prior approvals from the Company;

**Don'ts**

- ✗ Use Company's assets for political campaigns;
- ✗ Engage in political activities while on office duty;
- ✗ Exert political influence within the workplace to gain personal benefits such as promotions, higher pay, etc.

U. James

**CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES****6.3 GOVERNMENT AGENCIES**

MKIPL looks forward to build trust and good relationship with government agencies through honest and transparent actions. This section provides guidance on dealings of the Company with government agencies.

The directors and employees, whether interacting directly or through a third party acting on behalf of the Company, shall always ensure that the right and normal course of doing business with the government agencies is adopted and no attempt be made to induce any action of a government official through unlawful or unethical means. No action of a director or employee shall cause any third party to form an impression of using undue influence on the government officials.

**Responding to Queries of Government Officials**

Inquiries and inspections from the government officials must be handled with utmost diligence and wherever there are timelines for the Company to respond, the same has to be met. Whenever you receive a query or information request from a government official, which is not routine in nature, contact the legal personnel of the Company before responding to the query.

**Inspections and Investigations**

In cases of inspections or investigations, always act diligently and provide true and correct document or information to the government officials. If you require any clarification on providing any document or information, approach your immediate supervisor or the legal personnel for the same. Do not conceal or intentionally withhold any document or information which may obstruct the investigations. The employees are expected not to destroy any document (financial or otherwise) related to ongoing or potential government investigations and doing so will imply a violation of the Code.

**Do's**

- ✓ Interact with government agencies only if you're authorized by the Company;
- ✓ Co-operate with the government officials when they seek any information or during investigations;
- ✓ Provide information which is true and correct;
- ✓ Inform your immediate supervisor or top management if you receive any notice of inspection/investigation from any government official;

*L. J. J. J.*

**CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES**

- ✓ Consult with your immediate supervisors if you have doubts in disclosing information to the government agencies.

**Don'ts**

- \* Conceal or tamper or destroy any document relating to government investigations;
- \* Provide any information which you believe is not true.

*Lf. Jany*

## CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES

**6.4 BRIBERY AND CORRUPTION**

*MKIPL is committed to abolish bribery and corruption from all its business activities and applicable to all its business associates.*

Bribery is an act of accepting or offering a favour, whether in cash or in kind, by or to a person to induce his course of action for

- obtaining a business advantage; or
- personally benefitting the one making such offer or some other person; or
- depriving some other person of a benefit which he would otherwise be entitled to.

Act of bribery includes payment made to a government official or to private individuals or corporate bodies.

MKIPL has zero tolerance to bribery and its employees are expected to adopt the highest standard of ethical conduct in all their activities. The Company respects all laws relevant to countering bribery and corruption in the jurisdiction(s) in which it operates.

All directors, employees and their "relatives/family members" are forbidden to offer or accept any kind of bribes or involve in such corrupt practices. "Relatives/family members" include directors or employee's spouse, children, parents and siblings.

In addition, any person who does or who seeks to do business with MKIPL (business partners, agents, consultants, brokers or such other third party acting on behalf of the Company) shall comply with this Code, especially while acting on behalf of the Company.

Below are some of the examples of what can be considered as bribery:

- i. Offering gifts, other than customary ones, or payment of expenses on behalf of a person to secure an order from the customer;
- ii. Uncompensated use of Company's cab facilities by government official;
- iii. Donation made to a political party to secure a business advantage such as changing the terms and conditions in a tender in favour of your Company to enable you win the auction.

Whenever a third party is engaged to act on Company's behalf, the employees should exercise additional care to ensure that they have not made any illegal or unlawful payments to the government officials or other persons for completing the task of the Company.

The employee should look for 'red flags' such as:

- i. Inflated invoices;
- ii. Where a task is completed within a time period which in the normal course is very less as compared to the normal time taken for completing. E.g. a license that takes 1 month for renewal, is renewed within a week;
- iii. Unexplained or unsupported expense claimed by the third party in addition to the agreed fee;
- iv. Payments claimed to be made to another person (by the third party engaged by the

49 - James

**CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES**

Company) in the normal course of business where such person's involvement is not found essential in that transaction, etc.

**Do's**

- ✓ Perform thorough due-diligence before entering into business relationship with any third party, especially when such third party is expected to interact with government officials;
- ✓ Communicate to all third parties with whom you do business or seek to do business about the Company's anti-bribery policy;
- ✓ Report instances of payment of bribery, directly or indirectly, by the employee or the third party to the senior management;

**Don'ts**

- ✗ Accept or offer a bribe or a personal favour irrespective of the value involved;
- ✗ Make any type of payment to a government official unless it is in accordance with the law;

**Frequently Asked Questions**

1. We received a notice from the Labour Inspector for inspecting the factory premises for assessing the working conditions of the laborers. Recently, the

fence surrounding a huge machinery was broken and it is yet to be replaced. My manager proposed me to take him for dinner to a star hotel and convince him that the replacement will be done as soon as possible and therefore, prevent him reporting of the dangerous working condition near that machinery. Can I do that?

No, you cannot take the Labour Inspector for dinner to a star hotel and incur expenses unmatched with the permissible level of hospitality. In addition, the intention of taking him for a dinner is to prevent him from reporting the dangerous working condition of the machinery. Therefore, doing so will mean a bribe paid to the government official to obtain a benefit from him.

2. The Company has to obtain a certificate from the Pollution Control Board on periodical basis certifying the pollution levels of the factory. The process generally takes a month's time and costs the Company around INR 2 lakhs. This year as the certificate period expired, the Company decided to hire an agent for renewing the certificate and the agent charged us around INR 4 lakhs for the same. He agreed to get the certificate renewed within 10 days. Should I bother to know if the agent is

4. January

## CODE 6: OUR CONDUCT WITH GOVERNMENT AND RELATED AGENCIES

paying any bribe to the government officials?

Yes, the agent is acting on the Company's behalf and the fee he has charged for obtaining the certificate is double the actual certificate charges. In addition, he has agreed to obtain the renewal within 10 days. It is advisable that you seek a break-up of the fee charged by the agent and if you feel the same is unjustified, approach your supervisor or the head of finance for their advice.

interests. Such discounts meant financial loss to the Company.

3. I was looking out for admission of my son in a prestigious engineering college when I got to know that one of my customers is a director at a university under which the college falls. I approached him for helping my son get admission into the college. Since, MKIPL had a long standing business relationship with the customer, I decided to offer him a further discount which was within my powers. Have I conducted a violation of the Code?

Yes, you've conducted a violation of the Code by accepting a favour, in the form of a bribe, which influenced your decision to offer further discounts to the customer, which was not in the business interests but in personal

4. Faray

## CODE 7: OUR RESPONSIBILITY IN EXECUTION AND REPORTING

---

Each one of us is responsible in executing the Code and abiding by all the sections of the Code. As the Code cannot be treated exhaustive, any conduct, not explained in the Code, must be guided by the best interests of the Company and the society. Conflicting situations between the actual practice and the required action under any law or social norms shall be addressed by considering what is most appropriate.

Any violation by any person to whom this Code is applicable should be reported to the management. The person making such complaint will be provided anonymity by the management to safeguard against any retaliation. In addition, the management will help to rectify errors by those persons who have unintentionally violated a Code and makes self-reporting of such violation.

This section provides guidance on:

- 7.1 Understand the execution of the Code
- 7.2 Accountability to company in case of violation of laws and policies
- 7.3 Whistle-Blowing

U. Jany

**CODE 7: OUR RESPONSIBILITY IN EXECUTION AND REPORTING****7.1 UNDERSTAND THE EXECUTION OF THE CODE**

The Code facilitates its directors, employees, business partners and third parties doing business with the Company to understand how the values of the Company should be put into practice in performing their duties and responsibilities.

The Code has to be read and understood in its entirety to avoid conflicting situations.

4. Summary

## CODE 7: OUR RESPONSIBILITY IN EXECUTION AND REPORTING

**7.2 ACCOUNTABILITY OF COMPANY IN CASE OF VIOLATION OF LAWS AND POLICIES**

Every employee and director of the Company is accountable to the Company for violation of the Code. The Company expects that any such violation or potential violation by any person to whom this Code is applicable, be reported promptly and properly to the management. Further, any connivance or tacit permission of a violation act is considered a violation of this Code and the person so acting is also subject to punishment, including dismissal.

The management, on receiving a report of violation or abetment of a violation, shall take prompt and proper response measures against the violator or the abettor.

U. Saran

## CODE 7: OUR RESPONSIBILITY IN EXECUTION AND REPORTING

**7.3 WHISTLE-BLOWING**

*MKIPL is committed to give full protection (physical & anonymous) to all whistle blower/s, against any kind of misconduct committed by or against any of its associate*

To achieve MKIPL's vision and mission and minimize instances of breach of the Code, the Company and its directors and employees shall work together to address the shortcomings in any of its activities or practices.

While it is the responsibility of each director and employee to abide by the Code, it is also important that all employees assume responsibility of reporting breach of the Code or applicable laws.

**How to blow the whistle on alleged breaches?**

You should report your concerns about the alleged violations to your immediate supervisor and/or HR-Head, either orally or in writing. If you're not comfortable in discussing your concerns with them or if no action was taken by them pursuant to your reporting, you may approach the department head or the senior management.

It is always preferable that your concerns are reported in writing as it creates a record and casts a higher obligation on the person,

to whom you've reported the concern, to take necessary actions. In addition, if at a later date, the management, *suo-moto*, discovers such violations, you will be protected from disciplinary actions as you've already reported the violations.

**Why should you blow the whistle on alleged breaches?**

Companies are not immune to unethical and illegal activities by its employees. Reporting violations will not only help the Company take necessary actions for rectifying the same but also safe-guard its reputation which it has built over years.

**Maintaining Confidentiality**

Whistle-blower is the person who raises concerns or reports alleged violations of the Code or the applicable laws.

The complaints/reports submitted by the whistle-blower will be treated 'confidential' and shall not be shared with any person unless it is required for any internal investigations or by law and the anonymity of the name of the whistle-blower will be maintained.

The Company will not terminate or suspend or demote or take such other

*U. Jany*