

# PRAJAY ENGINEERS SYNDICATE LIMITED

CIN: L45200TG1994PLC017384

Registered Office: 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens,  
Begumpet, Hyderabad – 500016, Telangana, India.

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## **CODE OF CONDUCT & ETHICAL POLICY**

### **for Board of Directors' & Senior Management Personnel**

*In terms of Regulation 17(5) of Securities Exchange Board Of India(Listing Obligations and Disclosure Requirements) Regulations, 2015, Sec. 149(7) & Schedule IV of Companies Act, 2013*

#### **Applicability:**

This Code of Conduct applies to the Board of Directors and Senior Management Personnel of the company. For this purpose senior management shall “senior management” shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.]

#### **Elucidation of Code:**

The directors/senior management have the obligation to conduct themselves in an honest and ethical manner and to act in the best interest of the Company at all times. This code is intended to focus on the Board members including the executive director (s) and senior management personnel on areas of ethical risk, integrity and honesty providing guidance to help them recognize and deal with ethical issues.

Any question or interpretation under this Code of Ethics and Business Conduct will be considered and dealt with by the Board or any committee or any person authorized by the Board in this behalf. The Board or any designated person/committee so authorised has the authority to waive compliance with this Code of business conduct for any director, officer or employee of the Company. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances of the case to the Board or the designated person/committee.

The Directors and Senior Management is expected to demonstrate exemplary personal conduct through adherence to the following:

#### **Guidelines for Professional Conduct:**

The Board Members and Senior Management Personnel of the company shall:

- a. Uphold ethical standards of integrity and probity;
- b. Act objectively and constructively while exercising his duties;
- c. Exercise his responsibilities in a bona fide manner in the interest of the company;

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- d. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the board in its decision making;
- f. Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g. Refrain from any action that would lead to loss of his independent;
- h. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the board accordingly;
- i. Assist the company in implementing the best corporate governance practices.

## **Conflict of interest**

All directors, senior management should avoid situations in which their personal interest could conflict with interest of the Company. In the likelihood of there being a conflict of interest, he/ she should make full disclosure of all facts and circumstances thereof to the Board of directors or any committee/ officer nominated for this purpose by the Board and a prior written approval should be obtained.

Conflict of interest may occur when an employee or director or a member of his/her family gets any undue personal benefits or interests due to his/her position with the Company. Under such situation, he/she is expected to disclose to the Departmental Head/ the Board about the same.

## **Confidentiality**

The directors/senior management shall maintain the confidentiality of confidential information of the Company or that of any valued customer/Collaborator/ supplier of the Company to whom the Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. For purposes of this Code, "confidential information" includes all unpublished information relating to the Company that might be of use to competitors.

## **Role and Functions of Independent Directors:**

- a. Help in bringing an independent judgment to bear on the board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

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- b. Bring an objective view in the evaluation of the performance of board and management;
- c. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e. Safeguard the interests of all stakeholders, particularly minority shareholders;
- f. Balance the conflicting interest of the stakeholders;
- g. Determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management a have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management;
- h. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholders' interest

## **Duties of an Independent Director:**

The independent directors shall:

- i. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii. 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;
- iii. Strive to attend all meetings of the board of directors and of the board committees of which he is a member;
- iv. Participate constructively and actively in the committees of the board in which they are chairpersons or members;
- v. Strive to attend the general meetings of the company;

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- vi. 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;
- vii. Keep themselves well informed about the company and the external environment in which it operates;
- viii. Not to unfairly obstruct the functioning of an otherwise proper board or committee of the board;
- ix. 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;
- x. 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;
- xi. Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. 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 the law.

## **Compliance with code of conduct:**

Violations of this code of conduct will result in disciplinary action, which may even include termination of services of the employee. The Company's Board or any committee designated by the Board for this purpose shall determine appropriate action in response to violations of this code of conduct whose decision shall be final and binding on the guilty employee.

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## **Continual Updation of Code:**

This Code is subject to continuous review and Updation in line with any change in law, the Company's policy, vision & plans or otherwise as the Board may deem necessary. Any such amendments and modifications shall take effect from the date stated therein.

## **General :**

All questions concerning the meaning and application of this code shall be addressed to the Board of Directors and all such questions and replies will be maintained in strict confidence.

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