

PRAJAY ENGINEERS SYNDICATE LIMITED

CODE OF CONDUCT AND ETHICS

For Board of Directors and Senior Management Personnel

INTRODUCTION:

Clause 49 of the Listing Agreement, entered into with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, requires that the Board of Directors (Board) of the company shall lay down a Code of Conduct for all the Board members and Senior Management Personnel of the Company. Accordingly, the company has laid down this Code of Conduct and ethics (the code) for its Board and Senior Management Personnel.

The rationale of this code is to conduct the business of the company in accordance with the relevant laws, regulations, and rules and with the highest standard of ethics and values.

APPLICABILITY:

The code shall be applicable to the following personnel of the company and shall come into force with effect from 27.10.2006.

- a. All members of the Board of Directors of the Company
- b. All Senior Executives of Management of the company.

Explanation: For this purpose, the term Senior Management shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the Board of Directors.

This code of conduct shall be known as “**PRAJAY – CODE OF CONDUCT**”. This code has been made pursuant to the SEBI directives and Stock Exchange Listing Agreement. Wherever there is any variation between the provisions of the Code and the provisions of Listing Agreement, as amended from time to time, the latter shall prevail over the provisions of the code.

OBJECTIVE OF THE CODE:

The objective of the code is to ensure compliance with legal requirements and set standards for business conduct so that concerned officers act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while discharging their duties, for and on behalf of the company.

All the concerned are requested to read and understand this code, to uphold these standards in day-to-day activities and comply with all applicable policies and procedures.

CODE OF CONDUCT:

The directors and members of the senior management of the company agree to abide by the following code of conduct:

- i. Shall mention and help the company in maintaining highest degree of corporate governance practices.
- ii. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
- iii. Ensure the security of all the confidential information belonging to the company in every possible manner.
- iv. Shall ensure that they use the company's assets, properties, information and intellectual rights for the official purpose only or as per their terms of appointment and shall not make any secret profit out of his / her position.
- v. Make best efforts to attend the board, committee, members and other company meetings.
- vi. Shall ensure compliance with SEBI (prohibition of Insider Trading) Regulations, 1992 and also other regulations as may become applicable to them from time to time.
- vii. Shall not be associated in any way, directly or indirectly, with the competitor of the company while on board or employment of the company.

- viii. Co-operate with the company in discharging its social responsibility.
- ix. Shall not conduct themselves in a manner that harms or adversely affect the reputation of the company in any way.
- x. Shall bring to the notice of the management any unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Such whistle blowers can directly access the Chairman of the Audit Committee in exceptional cases.
- xi. They take utmost care and pay attention to comply with all applicable laws, regulations, rules and regulatory orders in letter and spirit.
- xii. Avoid situations where conflict of interest might occur or appear to occur on account of personal transactions and investments which conflicts with interest of the company.

ACKNOWLEDGEMENT OF THE RECEIPT OF THE CODE:

All the persons, to whom this code applies, shall acknowledge the receipt of this code thereto in the acknowledgement form as at **Annexure I** indicating that they have received, read and understood and agreed to comply with the code.

The duly signed Acknowledgement Form shall be forwarded to the Compliance Officer / Company Secretary.

AFFIRMATION OF COMPLIANCE:

In terms of Clause 49 of the Listing Agreement, all the Board Members and Senior Management personnel to whom this code applies shall affirm compliance of this code at the time of its introduction and annually within 30 days of the close of each financial year.

The initial / annual confirmation of compliance form is at **Annexure II**. The duly signed affirmation of compliance form shall be forwarded to the compliance officer / company secretary of the company.

VIOLATION OF CODE:

The matters covered in this code of business conduct and ethics are of utmost importance to the company, its stakeholders and its business partners, and are essential to the company's ability to conduct its business in accordance with its stated values.

It is ethical responsibility of every Director and Senior Management personnel to abide by and enforce this code. The Board of Directors shall take disciplinary action against any Director or Senior Management personnel who is found guilty under the code.

The above Code of Conduct is adopted by the Board of Directors of the Company on 27.10.2006.

PRAJAY ENGINEERS SYNDICATE LIMITED

CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL
(Pursuant to clause 49 of the Listing Agreement)

ACKNOWLEDGEMENT

To

The Compliance Officer
Prajay Engineers Syndicate Limited
8-2-293/82/A, Plot no. 1091, Road No. 41,
Jubilee Hills,
Hyderabad – 500033.

I,S/D/o....., R/o.....being a Director / Senior Management personnel* of Prajay Engineers Syndicate Limited, acknowledge that I have received, read and understood the provisions and policies of the Code of Conduct and agree to comply with the said code.

Signature.....

Name.....

Designation.....

Date.....

Place.....

(* strikeout whichever is not applicable)

PRAJAY ENGINEERS SYNDICATE LIMITED

CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL
(Pursuant to clause 49 of the Listing Agreement)

INITIAL / ANNUAL AFFIRMATION OF COMPLIANCE FORM*

To

The Compliance Officer
Prajay Engineers Syndicate Limited
8-2-293/82/A, Plot no. 1091, Road No. 41,
Jubilee Hills,
Hyderabad – 500033.

I.....S/D/o....., R/o.....being a Director / Senior Management
personnel* of Prajay Engineers Syndicate Limited, affirm to the best of my knowledge
and belief, that I agree to comply / have fully / complied with* the Code of Conduct
during the year.....

Signature.....

Name.....

Designation.....

Date.....

Place.....

(* strikeout whichever is not applicable)