

# Tyche Industries Limited



## TYCHE INDUSTRIES LIMITED CODE OF CONDUCT FOR BOARD MEMBERS AND OTHERS

### 1. INTRODUCTION:

Tyche Industries Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This Code of Conduct shall be called "The Code of Conduct for Board Members, officers and employees of TYCHE INDUSTRIES LIMITED". The subject code has been framed specifically in compliance with the revised provisions of clause 49 of the listing agreement with stock exchanges. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, officer and employee is expected to comply with the letter and spirit of this Code. It shall come into force with effect from 31<sup>st</sup> July, 2005.

The directors, officers and employees of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

### 2. DEFINITIONS & INTERPRETATION:

- i. The term "Board Members" shall mean Directors on the Board of Directors of the Company.
- ii. In this code words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

### 3. APPLICABILITY:

This 'Code of Conduct' shall be applicable to all Board Members and also to Senior Management Staff immediately one level below the Board Members viz. all Functional Business Heads, Heads of Finance, HR, Legal, EDP, etc.

### 4. CONDUCT OF BUSINESS:

The Board Members and the Senior Management team shall conduct the Company's business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders.

The Board Members and the Senior Management team shall not be involved in any activity that would have any adverse effect on the objectives of the company or against national interest. The corporate objectives to be pursued shall be to sustain the competitive edge of the company and not to indulge in any activity, which is detrimental to the company and society at large.



## 5. WEALTH CREATION:

The Board Members and the Senior Management team shall be committed to enhance the shareholders' worth/value and shall strictly comply with all regulations and laws that govern shareholders' rights. The Board shall duly and fairly inform the shareholders all relevant aspects about the company's business and disclose such information as may be required, from time to time, in accordance with the applicable rules and regulations.

## 6. CONFLICTS OF INTEREST: A conflict situation can arise:

- a. When an employee, officer, or director takes action or has interests that may make it difficult to perform his or her work objectively and effectively,
- b. The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,
- c. Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,
- d. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
- e. Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,
- f. Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

The directors, officers and employees should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be 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.

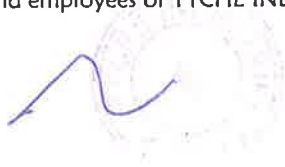
## 7. HONEST AND ETHICAL CONDUCT:

The Directors, officers and employees shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on Company's premises and offsite but also at company sponsored business, social events as well as any places. They shall act and conduct free from fraud and deception. Their conduct shall conform to the best-accepted professional standards of conduct.

## 8. DECLARATIONS TO THE BOARD:

A Board Member shall not take membership of more than such number of committees or act as Chairman of more than such number of committees across all companies as is prescribed under applicable law or provisions of Listing Agreement. Every Board Member shall inform the Board of all such membership at the beginning of each financial year and also of every change as and when they take place.

The Board Members and the Senior Management team shall inform their equity holding in the company and any changes that may take place and shall not indulge in any trading of the securities of the company which would come within the purview of the Company's Insider Trading Regulations. In case of any



agreement or contract which is or shall be entered into by and between two corporate entities, in which a Director is interested, the Director shall forthwith draw the attention of the Board about the fact and shall not participate in the deliberations nor vote on the resolution relating to the same.

#### **9. INSIDER TRADING:**

Any Director or Senior Management Personnel of the Company shall not derive benefit by giving investment advice from access to and possession of information about the Company, which is not in public domain and therefore constitutes insider information. They shall also ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 and other regulations as may be applicable to them from time to time in addition to the Company's Policy for Prevention of Insider Trading. The Company also prohibits its Directors and Senior Management Personnel in undertaking any fraudulent or unfair trade practice in connection with the securities of the Company.

#### **10. CONSEQUENCES OF NON-COMPLIANCE WITH THE CODE:**

The matters covered in this Code are of the utmost importance to the Company, its stockholders, business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect that all of our Directors and Senior Management Personnel to adhere to this 'Code of Conduct' in carrying out their duties for the Company.

The Company will take appropriate action against the Director or Senior Management Personnel whose actions are found to be in violation of this code or any other policy of the Company.

#### **11. CORPORATE OPPORTUNITIES:**

Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, officers, and employees are expressly prohibited from:

- a. Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or his / her position in the Company.
- b. Competing directly with the business of the Company or with any business that the Company is considering.
- c. Using Company's property, information, or position for personal gain advantage / profit. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he/she may pursue such activity only after disclosing and getting permission of the same to the Board or the nominated person/committee.

#### **12. CONFIDENTIALITY:**

The directors, officers and employees shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The Confidential information includes all non-public information (including private, proprietary, and other)



that might be of use to competitors or harmful to the Company or its associates. The use of confidential information for his/her own advantage or profit is also prohibited.

### **13. FAIR DEALING:**

Each director, officer, and employee should deal fairly with customers, suppliers, competitors, and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

### **14. PROTECTION AND PROPER USE OF COMPANY'S ASSETS:**

All directors, officers and employees should protect Company's assets and property and ensure its efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. Company's assets should be used only for legitimate business purposes and not for any personal use.

### **15. OUTSIDE ACTIVITIES:**

All Board Members as well as the Senior Management team shall be free to pursue any kind of civil/political activities and can become Members or Office Bearers of any Trade Organisation so long as it does not adversely affect or is detrimental to the business interests of the Company.

### **16. GIFTS & DONATIONS:**

The Board Members and the Senior Management team shall neither receive nor offer or make directly/indirectly any illegal payments, gifts, grants, donations or any benefits / gratifications which are intended to obtain business or unethical favors save and except nominal gifts which are customary in nature or associated with festivals.

### **17. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS:**

The Directors, officers and employees shall comply with all applicable laws, rules, and regulations. Transactions, directly or indirectly, involving securities of the Company should not be undertaken without pre-clearance from the Company's compliance officer i.e. Company Secretary & G.M. (Corp. Affairs). Any director, officer or employee who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her should consult the legal department of the Company before taking any action that may jeopardize the Company or that individual.

### **18. COMPLIANCE WITH CODE OF CONDUCT:**

If any director, officer or employee who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of conduct, he/she must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide the details of

suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation.

Violations of this Code of Ethics will result in disciplinary action, which may even include termination of services of the concerned employee. The Company's Board or any Committee/person designated by the Board for this purpose shall determine appropriate action in response to violations of this Code of Conduct.

#### **19. INTERPRETATION OF CODE:**

Any question or interpretation under this Code of Conduct and Business Ethics will be handled by the Board or any person /committee authorised by the Board of the Company. The Board of Directors or any designated person/committee 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 to the Board or the designated person/ committee.

#### **20. AMENDMENTS TO THE CODE:**

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time in tune with the applicable rules and regulations of SEBI and all such amendments/ modifications shall take effect from the date stated therein.

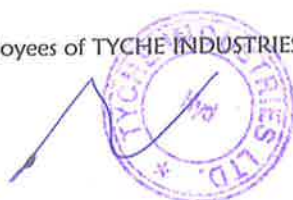
#### **21. PLACEMENT OF THE CODE ON WEBSITE:**

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendment thereto shall be hosted on the website of the Company i.e. [www.tycheindustries.com](http://www.tycheindustries.com)

#### **22. ANNUAL COMPLIANCE REPORTING:**

In terms of Clause 49 of the Listing Agreement, all Board Members shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the company shall contain a declaration to this effect signed by the Chairman & Managing Director. A proforma of Annual Compliance Report is at Appendix- I. The Annual Compliance Report shall be forwarded to the Company Secretary & G..M (Corp Affairs). If any Director/ Senior Management Personnel leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with the Company.

The Chairman & Managing Director of the Company and the Whole Time Finance Director or any other person heading the finance function shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code.



### **23. ENFORCEMENT OF CODE OF CONDUCT:**

- I) Company Secretary & G.M. (Corp. Affairs) shall be the Compliance Officer for the purpose of this code.
- II) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.
- III) Compliance Officer shall report breach of this code, if any, which comes to his notice to the: (a) Board in case of all Board members and (b) Chairman in case of Senior Management Personnel.
- IV) All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code.

The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

- V) Penalty for breach of this code by Senior Management Personnel shall be determined by the Chairman & Managing Director. In case of breach of this code by the Whole-time Directors and/or other Directors, the same shall be examined by the Board.
- VI) Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

### **24. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE:**

All Board Members shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at Appendix II and forward the same to the Company Secretary & G.M. (Corp. Affairs) indicating that they have received, read, understood and agreed to comply with this code.

By order of the Board  
Tyche Industries Limited

