

Sudarshan Chemical Industries Limited

CODE OF CONDUCT

Effective date of Policy:

This policy is being effective from 06 Feb 2016

Objective:

- To define certain broad & ethically sound principles to govern personal & business conduct while at work

Eligibility:

- Employees from Level 1 to Level 5 including technicians & all types of trainees

Implementation Process:

Section 1 – Good Working Norms

1.1: Dealing with Regulators, Press and Media:

The company has designated spokesperson for each area that will interact with regulators, press and media. This is to help minimize the probability of any misinformation to or misinterpretation by media/regulators which in turn could harm the organization. In the event of an inquiry from any external regulator, employees are expected to guide the inquisitor to the designated spokesperson only.

Only designated spokespersons / departments may deal with the regulators, the press & media. Any information solicited towards by the above or any other person/ agency/ department should be directed to these designated spokespersons/ departments and no interaction & information sharing is permitted by any other employee.

1.2: Audit & Investigation:

Employees must cooperate with any internal or external investigation or audit, or any regulatory examination. If at any time, the employee is involved in any legal/administrative/quasi-judicial proceeding(s), they should immediately inform their Reporting Authority and HR department, with relevant supporting documents and a brief summary of the proceedings in writing.

Employees must cooperate with any investigation into alleged violations of the Code of Conduct, laws, regulations, policies or procedures, and are expected to be truthful and forthcoming during any investigation. This includes situations where an employee may be involved as a party, a witness, or are asked to provide information as part of an investigation. Any attempt to withhold information, sabotage or otherwise interfere with an investigation may be subject to responsive disciplinary action as ascertained befitting in line with the applicable policy.

1.3 Utilization of Products & Services of Company Vendors/ Associates:

The company discourages the practice of using company relationships for personal requirements. Circumstances may occur where-in an existing vendor/partner of the organization may be a service provider that an employee selects for a personal requirement. In such cases the vendor/partner is not obliged to offer the employees the same rates as is offered to the organization. The employee and vendor relationship is a separate occurrence and shall be treated accordingly by both the vendor and the employee alike. In case the vendor offers a benefit of a discounted rate in line with the terms he/she operates with the organization then the employee will be required to disclose the same on an e-mail to the Human Resources

Examples of some places where the above guidelines apply – Interior decorators, housekeeping vendors, furniture manufacturers, pest control vendors etc, who are engaged by the company

1.4 Usage of Company's Resources & Assets:

All employees shall protect & ensure efficient use of company assets including but not limited to the result of an employee's work, money & funds, information about corporate or customer transactions, intellectual property, physical property, proprietary information, distributor information, supplier information, equipments, computer systems & software , furnishings etc.

Employees will not misuse the company's resources for personal ends. If any employee is found to have misused company's resources/ assets such that it has resulted in a negative impact to the organization, the employee shall be liable for enquiry & disciplinary action.

1.5 Political Activities :

Employees may participate in community affairs, and support the political party or candidate of their choice. The employee's political leaning in an aspect from his/her social life and purely his/her personal choice. Employees need to be completely apolitical and not indulge in any political activities such as canvassing for any party/position/ person etc. while at work or within the company premises. Employees, who in their individual capacity wish to contest any elections for any legislative office or municipal or local panchayat council, will need to take the prior written approval of the HR department. The employee/employee's manager should send a copy of the written approval to the HR Department and the Legal department.

1.5.1 Holding Political Office

A Sudarshan employee who intends to run for political office or accept a political appointment must obtain prior written approval from Sudarshan's Director/ Vice Chairman/ Chairman(through the HR department). Employees are not permitted to use Sudarshan's name in connection with any political campaign

1.5.2 Making Political Contributions

- A. No Sudarshan funds or any other Sudarshan asset may be used for political purposes
- B. All corporate contributions to political candidates for public office must be made in strict compliance with governing law and with prior approval of the Chairman/ Vice Chairman/ Director

1.6 Privacy:

The organization recognizes that employees are entitled to privacy and we recognize our obligations as set out in applicable privacy legislation. Sudarshan collects only necessary personal information, and we protect confidential information using well-defined procedures. Employees are expected to respect the privacy of their colleagues. Acts by any employee such as tapping telephones/mobiles, hacking into computers, checking office storage or displaying excessive curiosity into the personal activities and life of another employee is discouraged and any objection raised shall be appropriately address by the organization via its grievance redressal mechanism.

1.7 Personal & Professional Conduct :

Employees should maintain good conduct, discipline, punctuality and show courtesy and attention to all persons – colleagues, customers, business associates & vendors, regulators, and any other external stakeholders, in their transactions or dealings with the organization.

The company recognizes an employee's right to form personal relationships with their colleagues in the workplace; however, the company recommends that employees use good judgment at all times to ensure that their personal relationships do not negatively affect their job performance or interfere with their ability to supervise others.

1.7.1 Personal Relationships:

Personal Relationships are relationships between two or more individuals in a professional environment which are other than the meaning and scope of work relationships and which go beyond general courtesy and care displayed towards other fellow colleagues. They are specific in nature and may or may not culminate into legal relationships in the future. HR department needs to be kept aware of such relationships to ensure that the same do not come in the way of effectively discharging ones duties in a confidential & non partisan manner and as per the spirit of our legal & cultural norms

Behavior outside of office premises and work hours:

How our employees behave outside of regular office timings and premises can also affect the fair name of the company and bring the company into serious disrepute. It is therefore important that all employees conduct themselves in socially acceptable manners at all points of time.

Any behaviour that brings disrepute to the organization and its brand will be treated as an act of indiscipline and against company policy.

Examples of some inappropriate incidents –

- (1) wearing a Sudarshan T-shirt / Uniform and behaving in an abusive/intoxicated/physically abusive/illegal manner etc. could bring serious disrepute of the organization,
- (2) group of employees getting into fights/brawls etc in public,
- (3) using the Sudarshan name to get undue favours/benefits.

SECTION 2 – CULTURAL NORMS

2.1 Transparency: Transparency means Lack of hidden agendas and conditions, accompanied by the availability of full information required for collaboration, cooperation and collective decision making.

2.2 Respect: Respect for each other is the fundamental ethic which governs human relations and the organization is committed to foster an inclusive and respectful workplace where employees feel safe, included and respected. Diversity helps the organization build stronger values and trust amongst employees. It also empowers teams to service clients better and in turn outperform industry peers.

2.4 Commitment & Passion: Commitment involves dedication of employees to the growth of the organization. Passion means boundless enthusiasm towards achieving the vision & mission of the organization.

2.5 Courage: Courage is the state or quality of mind or spirit that enables one to face danger, fear with self-possession, confidence and resolution. Courage in the organizational context means reporting the wrongdoings in the fearless manner, accepting mistakes & bringing changes without falling prey to any preconceived notions.

SECTION 3- INTEGRITY NORMS

3.1 Conduct in Business Relationships with Suppliers and Customers:

3.1.1 Avoiding Bribes - No employee should receive or give bribes in any form whether financial or any other inappropriate means. In case a business associate offers a bribe, employees are expected to report the incident immediately to their supervisor, functional/ business head and to Head- Human Resources. In case an employee notices any other employee demanding or taking bribe from any business associate, he/she is expected to report the same immediately to the concerned authorities.

3.1.2 Availing favors from Business Associates - Requesting favors from Business Associates that involve inappropriate financial expense by them tantamount to lapses of financial integrity. Examples of such favors are loans, transportation for personal use, and request for jobs for relatives and friends, subsidized services etc.

3.1.2 Gifts from Business Associates - In all matters related to gifts or entertainment, it is the responsibility of the Sudarshan employees to exercise good judgment. Offering and/or accepting gifts and entertainment is appropriate provided there is a specific pre-approved business purpose and that the expenses incurred are ordinary and necessary and reported as a part of appropriate financial disclosures.

A gift is defined as an item or article of monetary value of **Rs. 1000/- (One thousand only)** presented to a Sudarshan employee by a non Sudarshan employee or any item or monetary value presented to a non Sudarshan employee by a Sudarshan employee.

Entertainment (including, but not limited to, beverages, recreation, lodging, transportation and

tickets) is an event with a specific business purpose. Entertainment must include the presence of a Sudarshan employee. Sudarshan does not consider entertainment of a non Sudarshan employee as a gift, as long as both a Sudarshan employee and a non-Sudarshan employee are present during the event and the same is not abnormal to normal day to day functioning & relationships nor of significant monetary value.

3.1.3Expense claims:

Employees must report their business expenses accurately in a timely manner and must ensure that they will not make any wrong or fraudulent claims on the company willfully. Doing so will tantamount to defrauding the company and will be seen as a financial integrity lapse. All claims must be submitted for reimbursement within 90 days from the date on which it was incurred. No claims above a period of 90 days will be settled.

3.1.4Confidentiality:

A) Accurate Records: Compliance with applicable generally accepted and statutory accounting principles and controls is expected at all times. Sudarshan business records must always be prepared with accuracy and reliability. The details of Sudarshan's relationships and transactions with those with whom it does business must be accurately entered in its books and records.

B) Document Retention :All confidential documents, records and data must be preserved and may be destroyed only as authorized by the IT department and/or legal officer designated for this purpose. Any deliberate and/or willful destruction of confidential data or information shall be considered as a violation of the Code of Conduct policy. Employees must seek guidance on data protection guidelines from their respective managers if in doubt.

C) Customer Privacy and Data Security - Sudarshan employees must comply with applicable privacy and data security laws, as well as applicable contractual requirements, when handling personal information and business data collected in the course of conducting business. Failure to do so is not only a breach of this Code, but also potentially a breach of civil and/or criminal laws relating to data protection.

D) Integrity of data furnished - Every employee of Sudarshan shall ensure, at all times, the integrity of data or information furnished by him/her to the company. He/she shall be entirely responsible in ensuring that the confidentiality of all data is retained. The company ensures that all entries made in the company's books and records are complete and accurate, and comply with established accounting and record-keeping procedures. The company maintains confidentiality of all forms of data and information entrusted to it, and prevents the misuse of information belonging to the company or any client.

E) Intellectual Property - Intellectual property, including, but not limited to, patents, trademarks and copyrights, developed or otherwise acquired by Sudarshan employees, using Sudarshan's resources during their employment with Sudarshan and which is related to Sudarshan's business is the property of Sudarshan. Sudarshan employees with access to Sudarshan intellectual property must not improperly disclose or use the intellectual property either during or after employment with Sudarshan, unless proper authorization is received.

F) Avoiding workplace bullying: Repeated hurtful remarks or attacks, or making fun of somebody's work, playing mind games, ganging up, psychological harassment, and deliberately holding back information, making people do humiliating or inappropriate things, giving impossible jobs will be considered as workplace bullying.

G) Smoking, Consumption of Alcohol, Consumption of Narcotics at workplace : Employees are not allowed to smoke, consume alcohol or any kind of narcotic drugs during the office hours & in the premises of the organization is strictly prohibited. Employees will have to be ready for any surprise checks during the duty hours for the same .Any employee found guilty will be eligible for strict action including termination from the services of the company.

Reporting Breach of Code of Conduct : This policy provides a mechanism for an individual to report violations of instances of unethical behaviors, actual or suspected fraud or violations of the company's code of conduct to the management without fear of victimization. The policy is formulated to strengthen a culture of transparency and trust in the organization.

Protection of Committee members & the person who reports breach of code of conduct: Retaliation of any kind against anyone who is involved in the investigation of or in making an allegation to breach of code of conduct is prohibited and may result in disciplinary action against the retaliator, up to criminal action by filing FIR, including termination of employment.

The purpose of the reporting is to enable a person observing an unethical practice whether or not a violation of law, to approach a Code of Conduct Committee. The Code of Conduct Committee will determine whether the concern or complaint actually pertains to compliance violation. The committee will review the findings and will decide further investigation and action.

What can be reported: Non alignment to company culture, physical assault, continual targeted communication, violation of code of conduct & acts of insubordination **but not limited thereto.**

Complaint handling procedure:

1. Breach of code of conduct can be reported in writing or through e-mail: breachofcoc@sudarshan.com
2. A five member team & two members of whom shall be female employees, One Business representative, Head HR & Head Admin will form the Compliant Enquiry Committee. Company Secretary will be in the consultative role as & when required. The committee will be chaired by the HR Head and the quorum shall be three members personally present. Investigators will conduct a process towards fact finding and analysis. All investigators will be independent and unbiased.
3. One lead investigator among the appointed investigators will take up the case further & give presentation to the Committee members.
4. Committee will draw Consensus & case resolution document will be prepared.
5. Committee will forward its findings and recommended action to the Head - Pigment Division/ Managing Director.
6. Head – Pigment Division/ Managing Director will take a final decision in the matter.

Directive Principles:

- The Committee may recommend action to the Head–HR/Managing Director/Head-Pigment Division which may include transfer or any of the other appropriate disciplinary action as appropriate.
- The management shall provide all necessary assistance and resources for the purpose of ensuring full, effective and speedy implementation of this policy.
- In case the Committee finds the degree of offence coverable under the Indian Penal Code, then this fact shall be mentioned in its report and appropriate action shall be initiated by the Management, for making a Police Complaint.
- In cases where the situation so warrant and at the sole discretion of the Head-HR /Managing Director/Head-Pigment Division, the Enquiry Process may be dropped and complaint case referred straight away to the Police by making a Police Complaint.
- **Reporting of the Committee:** The Committee should report to the Head-Pigment Division or Managing Director. If required may seek assistance from any other department other than the department from where the complaint has been received.
- **Grievance against any member of Enquiry Committee :** It is hereby stated that any disciplinary or corrective action initiated against the subject as a result of the finding of an enquiry pursuant to this policy will be final. The management shall provide all necessary assistance for the purpose of ensuring full, effective and speedy implementation of this policy.

Cautionary Statement:

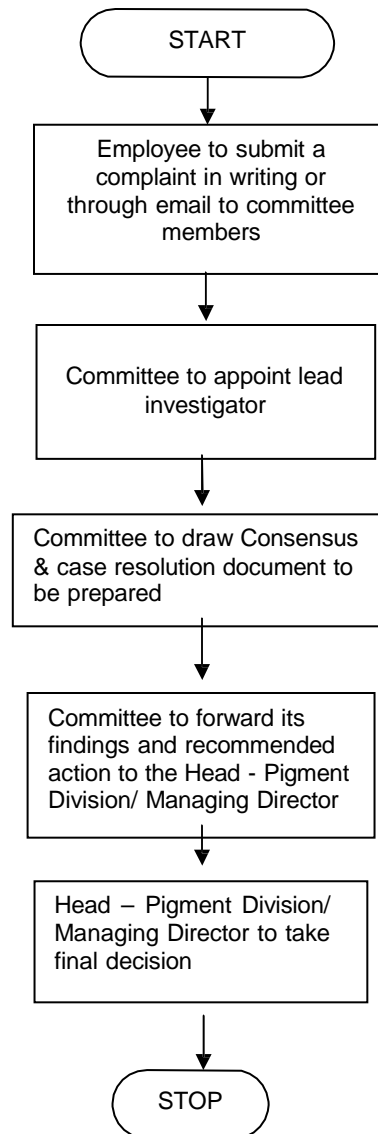
Sudarshan Chemical Industries Ltd. reserves the right to amend or modify this policy in whole or in a part, at any time without assigning any reason whatsoever. However, no such amendments or modification will be binding on the employees unless the same is notified to the employees through intranet or E-mail.

Compliant Enquiry Committee:

The Compliant Enquiry committee is as follows:

Sr. No	Name of member	Designation	Contact Number
1	Mr. B. N. Kadam	General Manager - Works	9881230807
2	Mr. B. Nareshkumar	Deputy General Manager - HR	9011027513
2	Mr. Amey Athalye	Manager – Business Analytics	8380051571
4	Ms.Bhuvaneshwari Gopalakrishnan	Executive – Directors Office	02026226321
5	Ms.Kalyani R Patil	Executive – HR Admin & IR	7774002752

As a process the details of the committee will be published on financial year on year basis. In case of any changes due to role change of the above role holders, resignations, etc of these members the same would be intimated to the employees through a common mail communication.

Flow Chart :**Approving Authority**

Head - Human Resources, Head - Pigment Division & Managing Director will be the approving authority for any changes to be implemented in the policy.