

## **Code of Ethics and Business Conduct**

### **Introduction**

J.K. Cement Ltd (hereinafter referred to as “the Company”) 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 (hereinafter referred to as “the Code”) has been framed and adopted by the Company in compliance with the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange and is intended to provide guidance and help in recognising and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, Members of the Senior Management Team and the Company Secretary (hereinafter referred to as “Senior Managers”) is expected to comply with the letter and spirit of this Code.

The Directors and Senior Managers 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.

### **Applicability**

The Code applies to all the Members of the Board of Directors and Members of the Senior Management Team/Key Management persons of the Company i.e. one level below the Executive Directors/Managing Director and the Company Secretary of the Company.

The Code shall be posted on the Web Site of the Company.

### **Honest and Ethical Conduct:**

The Directors and Senior Managers 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.

### **Conflicts of Interest** - A conflict situation can arise:

- When a Director or Senior Manager takes action or has interests that may make it difficult to perform his or her work objectively and effectively,
- The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,
- Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,

- The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
- Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,
- Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

The directors and/or the Senior Managers 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 / Compliance officer nominated for this purpose by the Board and a prior written approval should be obtained.

#### **Corporate Opportunities** –

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

- Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or position,
- Competing directly with the business of the Company or with any business that the Company is considering.
- Using Company's property, information, or position for personal gain. 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 the same to the Board of directors or the nominated person/committee.

#### **Confidentiality** –

The Directors and Senior Managers 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 authorised 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.

#### **Fair Dealing** –

Each Director and Senior Manager 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.

### **Protection and Proper Use of Company's Assets –**

All directors, Senior Managers 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.

### **Compliance with Laws, Rules, and Regulations:**

The Directors, Senior Managers 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. Any Director or Senior Manager who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her should consult the Legal/Company Law Department of the Company before taking any action that may jeopardize the Company or that individual.

### **Compliance with Code of Conduct:**

If any Director, Senior Manager 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/its committee thereof or the Compliance Officer. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognises 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 employee. The Company's Board or any Committee thereof for this purpose shall determine appropriate action in response to violations of this Code of Ethics.

### **Interpretation of Code –**

Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board /committee authorised by the Board of the Company or the Compliance Officer 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 or Senior Manager of the Company. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or compliance Officer/ committee.

### **Code of ethics for Senior Financial Officers**

Honesty, integrity and sound judgment of the senior financial officers is fundamental for the success and reputation of the Company. The professional and ethical conduct of the senior financial officers is essential to the proper functioning of the Company. The senior finance officers as well as directors of the Company, shall be bound by the following code of ethics:

- Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial and professional relationships,
- Make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits or makes periodically, to the shareholders, government authorities, and to the public,
- Comply with governmental laws, rules, notifications and regulations applicable to the Company's business,
- Disclose to the Board or any committee/officer designated by the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the company,
- Promote prompt reporting of violations of the Code of Ethics to the Board of Directors or any person/committee designated for this purpose, as may be necessary,
- Respect the confidentiality of information acquired in the course of employment unless legally obliged to disclose and ensure that no such confidential information is used for personal advantage/benefit,
- Maintain the skills necessary and relevant to the Company's needs,
- Act in good faith, responsibility, with due care, competence and diligence without misrepresenting material facts,
- Refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts,
- Achieve responsible use of and control over all assets and resources employed or entrusted to them,
- Promote ethical and honest behavior within the Company and its subsidiaries,
- All senior financial officers should adhere to both the code of business conduct and the code of ethics of the Company. Violation of the code of ethics will lead to appropriate disciplinary action including dismissal from the services of the Company
- Any deviation/waiver from this code can only be affected on the sole and absolute discretionary authority of the Board or any person/committee designated by the Board for this purpose.

**Annual compliance reporting**

Board Member and Senior Managers shall affirm compliance with this Code on an annual basis as at the end of the each financial year of the Company (as per Annexure-I within 7 days of the close of every financial year).

**Acknowledgement of receipt of the code**

Each Board Members and Senior Managers both present and future shall acknowledge receipt of the Code or any modification(s) thereto, in the acknowledgement form annexed to this Code as Annexure-II and forward the same to the Compliance Officer.

Any breach of the aforesaid Code brought to the notice of the Compliance Officer or any member of the Board or Senior Management shall be reported to the Board of Directors of the Company for necessary action.

PLACE: KANPUR

DATE: 24.10.2005

**CODE OF CONDUCT FOR BOARD MEMBERS**

**AND**

**MEMBERS OF THE SENIOR MANAGEMENT**

**ANNUAL COMPLIANCE REPORT\***

I \_\_\_\_\_ do hereby solemnly affirm that I have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT during the financial year ended 31st March, \_\_\_\_\_.

**Signature :** \_\_\_\_\_

**Name :** \_\_\_\_\_

**Designation :** \_\_\_\_\_

**Address :** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**Place:** \_\_\_\_\_

*\*To be submitted by 7<sup>th</sup> April each year*

**CODE OF CONDUCT FOR BOARD MEMBERS**

**AND**

**MEMBERS OF THE SENIOR MANAGEMENT**

**ACKNOWLEDGEMENT FORM**

I have received and read the Company's Code of Conduct for Board Members and Senior Management of J.K. Cement Limited. I have understood the provisions and standards contained in the Code of Conduct and agree to comply with the same.

**Signature :** \_\_\_\_\_

**Name :** \_\_\_\_\_

**Designation :** \_\_\_\_\_

**Address :** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**Place:** \_\_\_\_\_