

DAKSHIN HARYANA BIJLI VITRAN NIGAM LTD.

CODE OF CONDUCT AND ETHICS POLICY FOR BOARD MEMBERS AND SENIOR MANAGEMENT

1. INTRODUCTION

- 1.1 This Code of Conduct (*herein after referred to as "this Code"*) is "The Code of Conduct & Ethics Policy for Board Members and Senior Management" of Dakshin Haryana Bijli Vitran Nigam Limited (*hereinafter referred to as "the Company"*).
- 1.2 The purpose of this Code is to enhance ethical & transparent process in managing the affairs of Company and to sustain the trust & confidence reposed in the Management by the stakeholders. The Directors and Senior Management are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning. The code is in alignment with Company's vision and values to achieve the mission & objectives of the Company.
- 1.3 The principles prescribed in this Code are general in nature and lay down broad standards of compliance to Guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMS) and Companies Act, 2013 & rules made thereunder.
- 1.4 It has come into force on 06.08.2021.
- 1.5 This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

2. DEFINITIONS AND INTERPRETATIONS

- 2.1 "**Act**" shall mean the Companies Act, 2013, rules framed there under and any amendments thereto.
- 2.2 "**Board**" or "**Board Members**" or "**Board of Directors**" shall mean Board of Directors of the Company.
- 2.3 "**Body Corporate**" shall have the same meaning as defined under sub-section (11) of Section 2 of the Act.
- 2.4 "**Company**" shall mean Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL).
- 2.5 "**Director**" shall mean all Directors, including Independent Directors of the company.
- 2.6 "**Independent Director**" shall mean a Director as defined under sub-section (6) of Section 149 of the Act.

- 2.7 "**Key Managerial Personnel**" shall have the same meaning as defined under sub-section (51) of Section 2 of the Act.
- 2.8 "**Whole-time Directors**" or "**Functional Directors**" shall be the Directors on the Board of Directors of the Company who are in Whole-time employment of the Company.
- 2.9 "**Part-time Directors**" shall mean Directors on the Board of Directors of the Company who are not in Whole time employment of the Company and include Independent Directors and Government Nominee Directors.
- 2.10 "**Relative**" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014.
- 2.11 "**Senior Management**" shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole Time Directors, which includes Company Secretary, Chief Financial Officer, Chief Engineers, Chief Information Technology Officer/Chief Technology Officer and any other equivalent rank officer(s).
- 2.12 "**Subsidiary Company**" or "**Subsidiary**" shall mean a subsidiary as defined under sub-section (87) of Section 2 of the Act.
- 2.13 "**Associate Company**" shall have the same meaning as defined under sub-section (6) of Section 2 of the Act.
- 2.14 In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

3. APPLICABILITY

- 3.1 This code is applicable to all Directors and Senior Management of the Company.
- 3.1 The Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules, regulations and procedures of the Company and any amendments thereto.

4. CONTENTS OF CODE

PART- I General Moral Imperatives

A. Health, Safety and Environment

The Company believes in sustainable development and is committed to being a responsible corporate citizen. To uphold the Company's interest and preserve the quality of life of all concerned, the business and operations of the Company shall be conducted in an environmentally friendly manner and provide a safe and healthy working environment to its employees.

B. Honesty, Integrity and Accountability

The Directors and Senior Management are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted or at any other place/location where they are representing the Company.

Therefore, in the interest of good corporate governance, all of them must act in good faith with honesty and accountability and with due care, competence and diligence.

C. Fair Dealings and no discrimination

The Directors and Senior Management shall not take any discriminatory stance towards Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. No discrimination shall be done on the basis of caste, religion, sex, nationality or disability of any kind towards any employees, customer, supplier or any stakeholder.

D. Privacy and Confidentiality

The Directors and Senior Management must maintain the confidentiality of information entrusted to them by the Company in carrying out their duties and responsibilities. The Company's confidential information shall not be inappropriately disclosed or used, except where disclosure is approved by the Company or by Board of Directors or legally mandated or if such information is in the public domain or is requested to be disclosed in accordance with applicable laws.

E. Pledge and Practice

The Directors and Senior Management shall:

- a. Strive continuously to bring about integrity and transparency in all spheres of the activities.
- b. Use such degree of skill as may be reasonable to expect from a person with his/her knowledge or experience.
- c. Not allow personal interest to conflict with the interest of the Company while discharging the duties of their particular office.

PART- II SPECIFIC ADDITIONAL PROVISIONS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

A. The Director(s) of the Company and Senior Management:

- i) Shall act in accordance with the articles of association of the Company, subject to the provisions of the Companies Act, 2013, as amended from time to time and all applicable laws, rules, regulations and guidelines, in all areas and geographies where the Company operates & conduct its activities, both in letter and spirit;

- ii) Shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment;
- iii) Shall exercise his duties in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at Company's sponsored business and social events, or at any other place where they are representing the Company;
- iv) Shall not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;
- v) Shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his/her relatives, partners, or associates and
- vi) Shall not assign his/her office and any assignment so made shall be void.

B. As Board Members, they:

- i) Shall undertake to actively participate in the meetings of the Board of Directors and Committee Meetings of the Board, in which he/she is a Chairperson or Member on which they serve;
- ii) Shall dedicate sufficient time, attention and energy to the deliberations at the Meetings to ensure diligent performance of their duties;
- iii) Shall maintain order and decorum at the Meetings and obey the directions given by the Chairman;
- iv) Shall comply with all applicable laws, regulations, confidentiality obligations and Company's policies;
- v) Shall disclose any personal interest that they may have regarding any matter/agenda item that may come before the Board of Directors or Committees of the Board and abstain from discussion and should not vote on such matters;
- vi) Shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain, to the Company and
- vii) Shall undertake to inform the Chairman/Managing Director and/or Company Secretary of the Company about any change(s) in their other Board positions, relationship with other business and other events/circumstances/ conditions that may interfere with their ability to perform Board/Board Committee duties diligently or may impact the judgement of the Board.

5. COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

5.1 All Members of the Board and Senior Management shall uphold and promote the principles of this code.

The future of the organization depends on both technical, professional and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support each other to adhere the same.

5.2 Non-Compliance of or breach of this code

In case of non-compliance of or breach of this Code by any Board Member(s) and by any Senior Management Personnel(s), the matter would be reviewed by the Board of Directors and their decision shall be final and binding.

6. ACKNOWLEDGEMENT & ANNUAL AFFIRMATION OF CODE OF CONDUCT

6.1 Acknowledgement Form

All Directors and Senior Management shall sign the acknowledgment form at **Appendix-I** and return the form to the Company Secretary indicating that they have received, read and understood the provisions of the Code and agree to comply with the same. All Directors and Senior Management shall be required to affirm compliance with this Code.

6.2 Annual Affirmation

Further all Directors and Senior Management are required to affirm compliance of this code on an annual basis, within 60 days from the close of every financial year, to the Company Secretary, in the form annexed at **Appendix-II**.

7. 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 line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise and all such amendments/modifications shall take effect from the date stated therein.

8. PLACEMENT OF THE CODE ON WEBSITE

This Code and any amendments thereto shall be posted on the website of the Company.

9. ADDITIONAL REQUIREMENT FOR INDEPENDENT DIRECTORS

In addition to the compliance of this Code, all Independent Directors of Company are also required to adhere to the Code of Conduct for Independent Directors, in line with Section 149(8) and Schedule IV of the Companies Act, 2013 & rules made thereunder, meant for Independent Directors of the Company and annexed at **Appendix-III**.