



**BUNDELKHAND SAUR URJA LIMITED**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**(For Board Members)**

**1. INTRODUCTION**

- 1.1 This Code of Conduct (hereinafter referred to as the "**Code**") shall be called "The Code of Business Conduct and Ethics for Board Members" of Bundelkhand Saur Urja Limited (hereinafter referred to as the "**Company**").
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Board Members by the shareholders of the Company. Board Members 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.
- 1.3 This Code envisages that the Board of Directors of the Company ("**Board**") must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law.
- 1.4 The principles prescribed in this Code are general in nature and lay down broad standards of compliance and ethics, as per the requirement of DPE guidelines. The Board Members should also review other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with this Code.
- 1.5 This Code shall come into force with effect from the 18<sup>th</sup> December, 2017.
- 1.6 All Board Members should sign the acknowledgment form annexed as **Appendix IV** hereto and return the form to the Chief Executive officer/Company Secretary indicating that they have received, read, understood and agree to comply with the Code. All Board Members shall be required affirm

compliance with this Code on an annual basis, within 30 days of close of every financial year to the Company Secretary, in the form annexed hereto as **Appendix III**.

- 1.7 This code shall be read mutatis-mutandis with any notification, order, circular, guidelines etc. issued by Ministry of Corporate Affairs (MCA), Department of Public Enterprises (DPE), and any other regulatory authority from time to time.

## **2. DEFINITIONS & INTERPRETATION**

2.1 In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

- i. **"Board"** shall mean the Board of Directors of the Company.
- ii. **"Board Members"** shall mean the Directors on the Board of Directors of the Company.
- iii. **"Company"** shall mean Bundelkhand Saur Urja Limited.
- iv. **"Government"** shall mean Govt. of India.
- v. **"Relative"** shall have the same meaning assigned to the term in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014, and as more specifically detailed in **Appendix I**.
- vi. **"Whole Time Directors"** shall mean the Board Members who are in the whole-time employment of the Company.
- vii. **"Non Whole Time Directors"** shall mean the Board Members who are part time Directors and not in the whole time employment of the Company other than Independent Directors
- viii. **"Conflict of Interest"** shall mean where the interest or benefits of one person or entity conflict with the interests or benefits of the company.
- ix. **"Independent Director"** means a Director other than a Managing Director or a Whole-time Director or a Nominee

Director;

- a. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate company;
- b. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- c. who, neither himself nor any of his relatives—
  1. holds or has held the position of a Key Managerial Personnel (KMP) or is or has been employee of the company or its holding, subsidiary or associate company in any of the 3 (three) financial years immediately preceding the financial year in which he is proposed to be appointed;
  2. is or has been an employee or proprietor or a partner, in any of the 3 (three) financial years immediately preceding the financial year in which he is proposed to be appointed, of
    - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  3. holds together with his relatives 2% (two percent) or more of the total voting power of the company; or
  4. is a Chief Executive or Director, by whatever name called, of any nonprofit organisation that receives 25% (twenty-five percent) or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- d. who possesses appropriate skills, experience and

knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

2.2 In this Code words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

2.3 This code is divided into two parts:

Part I	Code of Business Conduct & Ethics for Board Members other than Independent Directors
Part II	Code of Business Conduct & Ethics for Independent Directors

### **3. APPLICABILITY**

Part I of the Code shall be applicable to the following persons:

- i. All Whole-Time Directors
- ii. All Non Whole-Time Directors unless specifically exempted from some provisions of Govt. of India other than Independent Directors

Part II of the Code shall be applicable to the Independent Directors.

## **PART I**

### **Code of Business Conduct & Ethics for Board Members other than Independent Directors**

### **4. ETHICAL CONDUCT**

Every Board Member shall act within the authority conferred upon him by the Company and under applicable law, keeping the best interests of the Company in view and shall:

- i. **Be honest and trustworthy & practice integrity,**

- professionalism, utmost care, skill, diligence, good faith and integrity:** Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively. He should act with high moral and ethical standards.
- ii. Fulfill their fiduciary obligations without allowing their independence of judgment to be compromised;
  - iii. Act fairly and transparently and not participate in any decision-making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgment of the Company's best interest cannot be exercised;
  - iv. Avoid conducting business with (a) a relative or (b) a private limited company in which he or his relative is a member or a director (c) a public limited company in which he and holds along with his relative holds more than 2% of its paid-up shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board;
  - v. Avoid having any personal and/or financial interest in any business dealings concerning the Company;
  - vi. Not engage in any business, relationship or activity with anyone who is a party to a transaction with the Company;
  - vii. Avoid any dealings with a contractor or supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influences decisions to be made by the Company;
  - viii. Not hold any positions or jobs or engage in other businesses or interests that are prejudicial to the interests of the Company;
  - ix. Not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity;
  - x. Not seek, accept, or offer or make, directly or indirectly, any gifts, illegal payments, remuneration, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of business
  - xi. Not commit any offence involving moral turpitude or any act contrary to law or opposed to public policy;
  - xii. uphold the values of equality, tolerance, respect for others, and the principles of equity & justice;
  - xiii. not discriminate on the basis of race, sex, religion, caste, age, disability, national origins or other such factors;
  - xiv. Keep the Board informed in an appropriate and timely manner any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company;
  - xv. Treat the other members of the Board and other persons

- connected with the company with respect, dignity, fairness and courtesy;
- xvi. Act in a manner to enhance and maintain the reputation of the Company;
  - xvii. not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the company or which is capable of embarrassing the relations between the company and the public including all the stakeholders.  
Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.
  - xviii. Undertake to actively participate in the meetings of the Board and Committees on which they serve.

#### **4(a) Pledge & Practice**

The Directors shall:

- i. strive continuously to bring about integrity and transparency in all spheres of the activities.
- ii. work unstintingly for eradication of corruption in all spheres of life.
- iii. remain vigilant and work towards growth and reputation of the company.
- iv. bring pride to the organization and provide value based services to the company's stakeholders.
- v. do duty conscientiously without fear or favour.

#### **4(b) SPECIFIC PROFESSIONAL RESPONSIBILITIES**

##### **4(b) (i) Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work:**

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

##### **4(b) (ii) Acquire and maintain professional competence**

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected

to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

#### **4(b) (iii) Accept and provide appropriate professional review**

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

#### **4(b) (iv) Manage personnel and resources to enhance the quality of working life**

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

#### **4(b) (v) Be upright and avoid any inducements**

The Board Members shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc.

#### **4(b) (vi) Observe Corporate Discipline**

The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

#### **4(b) (vii) Conduct in a manner that reflects credit to the Company**

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their

personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

**4(b)(viii) Be accountable to Company's stakeholders**

All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

**4(b) (ix) Identify, mitigate and manage business risks**

It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

## **PART II**

### **Code of Business Conduct & Ethics for Independent Directors**

5. The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **5(a) ETHICAL CONDUCT**

The Independent Directors must follow the following principles in fulfilling their fiduciary responsibilities:

- i. Uphold ethical standards of integrity and probity;
- ii. Act objectively and constructively while exercising his duties;
- iii. Exercise his responsibilities in a bona fide manner in the interest of the company;
- iv. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring or dissenting from the collective judgement of the Board in its decision making;
- vi. Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. Refrain from any action that would lead to loss of his independence;
- viii. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ix. Assist the company in implementing the best corporate governance practices.

## **5(b) ROLE AND FUNCTIONS**

The Independent Directors shall:

- i. Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- ii. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iii. Satisfy themselves on the integrity of financial information and that financial controls and the system of risk management are robust and defensible;
- iv. Safeguard the interest of all stakeholders, particularly the minority shareholders;
- v. Balancing the conflicting interest of stakeholders;
- vi. Moderate and arbitrate in the interest of the company as a whole, in situation of conflict between management and shareholders interest;

## **5(c) DUTIES**

The Independent Directors shall:

- i. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- iii. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. Strive to attend the general meetings of the company;
- vi. Where they have concerns about running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- vii. Keep themselves well informed about the company and the external environment in which it operates;

- viii. Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- ix. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and ensure themselves that the same are in the interest of the company;
- x. Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. Act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **5(d) RESIGNATION OR REMOVAL**

- i. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- ii. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within 3 months from the date of such resignation or removal, as the case may be.
- iii. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **5(e) SEPARATE MEETINGS**

- i. The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;

- ii All the independent directors of the company shall strive to be present at such meeting;
- iii The meeting shall:
  - (a) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **Common Provisions**

#### **6. DISCLOSURES**

- 6.1 Notwithstanding that any instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested Board Member should be made to the Company. It is also incumbent upon every Board Member to make a full disclosure of any interest which the Board Member or the Board Member's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with the Company.
- 6.2 With respect to related party disclosures, Board Members shall make disclosure to the Board under the provisions of Ind AS-24/ Accounting Standard 18 annexed hereto as **Appendix II** issued by the Institute of Chartered Accountants of India (ICAI) and / or any modification or re-codification thereof.
- 6.3 If a Board Member fails to make a disclosure as required herein, and the Company of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the Board Member, the Company would take a serious view of the matter and consider suitable disciplinary action against the Board Member.

#### **7. OTHER DIRECTORSHIPS**

- 7.1 Unless specifically permitted by the Chairman of the Board, Board Members shall not serve as director of any other company or as partner of a firm that is engaged in a competing business with the Company or with which the Company has business relations. This clause is not applicable to Non-Whole Time Directors and Independent

Directors.

- 7.2 Whole Time Directors shall not accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, having competing interests with the Company (other than (i) Joint Venture Companies with Management Control vested in the company and (ii) Subsidiary Company of Bundelkhand Saur Urja Limited) or with which the company has or had business relations, within two years from the date of cessation of Directorship of the Company unless approved by the Government.

## **8. PUBLIC REPRESENTATION AND CONFIDENTIALITY OF INFORMATION**

- 8.1 The Company honors the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing information in relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorized Officers.
- 8.2 Any information concerning the Company's business, its customers, suppliers, etc. to which the Board Members have access or which is possessed by the Board Members, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless (i) authorized by the Board; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.

## **9. REGULATORY COMPLIANCE**

Every Board Member shall, in his business conduct, comply with all applicable laws, rules and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

## **10. HEALTH, SAFETY AND ENVIRONMENT**

- (i). This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.
- (ii). Therefore, all Board Members who are accountable for the design, development, manufacture and promotion of company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

## **11. PROTECTION OF ASSETS**

The Board Members shall not misuse, for personal gain or otherwise, the assets of the Company, including tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc., and shall employ them for the purpose of conducting the business for which they are duly authorized.

## **12. AMENDMENTS TO THE CODE**

The provisions of this Code can be amended and modified by the Board of Directors of the Company from time to time and all such amendments and modifications shall take effect from the date stated therein. All Board Members shall be duly informed of such amendments and modifications.

## **13. ENFORCEMENT OF CODE OF CONDUCT**

Each Board Member shall be accountable for fully complying with this Code.

## **14. CONSEQUENCES OF NON-COMPLIANCE OF THIS CODE**

- 14.1 In case of breach of this Code by the Non Whole Time Directors the same shall be considered by the Board for initiating appropriate action, as deemed necessary.

## **15. WHERE TO SEEK CLARIFICATIONS**

Any member of Board requiring any clarification regarding this code of conduct may contact Chief Executive Officer/ Company Secretary/ any officer specifically designated by the Board of Directors.



## APPENDIX-I

### Bundelkhand Saur Urja Limited

#### CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

#### SECTION 2(77) OF THE COMPANIES ACT, 2013

“relative”, with reference to any person, means anyone who is related to another, if-

- (a) they are members of a Hindu Undivided Family;
- (b) they are husband and wife; or
- (c) one person is related to the other in the manner indicated in Rule 4 of the Companies (Specification of definitions details) Rules, 2014;

#### Rule 4 of the Companies (Specification of definitions details) Rules, 2014

#### LIST OF RELATIVES

- (d) Father (including step father)
- (e) Mother (including step-mother)
- (f) Son (including step-son)
- (g) Son’s wife
- (h) Daughter
- (i) Daughter’s husband
- (j) Brother (includes step brother)
- (k) Sister (includes step sister)



## APPENDIX-II

### Bundelkhand Saur Urja Limited

#### CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

The Board Members shall disclose the following, in respect of all transactions with related parties, as covered in IND AS – 24/ AS-18/ issued by ICAI:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion ;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature: .....

Name : .....

Designation : .....

Date : .....

Place : .....

Note The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Board Members:

- purchases or sales of goods (finished or unfinished );
- purchases or sales of fixed assets;
- rendering or receiving of services;
- agency arrangements;
- leasing or hire purchase arrangements;
- transfer of research and development;
- licence agreements;
- finance (including loans and equity contributions in cash or in kind);
- guarantees and collaterals; and
- management contracts including for deputation of employees.



**APPENDIX-III**

**Bundelkhand Saur Urja Limited  
CODE OF BUSINESS CONDUCT AND ETHICS  
FOR  
BOARD MEMBERS**

**ANNUAL COMPLIANCE REPORT\***

I .....do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS during the financial year ending 31st March 20\_\_.

Signature : .....

Name : .....

Designation : .....

Date : .....

Place : .....

\* To be submitted by 30th April each year.



**Bundelkhand Saur Urja Limited**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**FOR BOARD MEMBERS**

**ACKNOWLEDGEMENT FORM**

I ....., have received and read the Company's "CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature : .....

Name : .....

Designation : .....

Date : .....

Place : .....