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meets **Performance**

## **Business Ethics and Integrity Policy statement**

### **1. Objective**

Behaving ethically is essential to work with Precision Camshafts Limited (Company). Our values of Openness, Collaboration, Mutual Dependency, Professional Delivery, Sustainable Profitable Growth and Innovation are the standards by which we have been operating since inception.

As individuals, collectively and as a Company we will:

- Apply the principles set out in the Ethics and Business Integrity Policy in everything we do.
- Ensure that we comply with Company policies and procedures.
- Comply with applicable laws, rules and regulations and where the standards of behavior expected by the Company are higher; we will apply these higher standards.
- Seek guidance where we are unsure of the appropriate course of action.

This Policy sets out the standards and behaviors that all our people are expected to meet, wherever in the world we operate.

### **2. Scope**

This policy applies to Board of Directors, management, permanent/contractual employees, staff and labours of the Company.

### **3. Purpose**

This policy sets out the Precision Camshafts Limited requirements for the following:

- Fraud, bribery and corruption
- Gifts and hospitality
- Insider trading
- Conflicts of interest
- Ethical procurement
- Competition
- Money laundering
- Respect for human rights
- Embezzlement
- Extortion
- Law and regulation
- Reporting, disclosure and whistle blowing

### **4.0 Associated Documents**

None



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## **5. Policy Requirements**

### **5.1 FRAUD, BRIBERY AND CORRUPTION**

#### **5.1.1 Prohibition of fraud, bribery and corruption**

Precision Camshafts Limited takes extremely seriously the effective prevention and detection of fraud, bribery and corruption and any other fraudulent or corrupt activity. It will not tolerate them in any form. The company is fully committed to promoting a zero tolerance approach across the group. As well as being illegal, fraud, bribery, corruption and any other fraudulent or corrupt activity are damaging to all parties who engage in them.

#### **5.1.2 Definitions.**

Corruption usually occurs because some individuals are willing to use illicit means to maximize personal or corporate profit. Corruption includes bribery, extortion, fraud, deception, collusion, cartels, abuse of power, embezzlement, trading in influence and money laundering.

A bribe is not necessarily just a gift of money. It is an action where a person promises or gives a financial or other advantage which is designed to induce any party to perform a function improperly or reward them for having performed a function improperly. The payment or monetary value need not be of large value – for example it could be an invitation to a sporting event.

Fraud is an act of deception intended for personal gain or to cause a loss to another party. The general criminal offence of fraud can include deception whereby someone knowingly makes false representation, or they fail to disclose information, or they abuse a position.

#### **5.1.3 Principles**

We will not offer, give or receive bribes or improper inducements for any purpose whether directly or via a third party. This prohibition applies to employees, subsidiaries, business partners, suppliers, agents and anyone else acting for or on behalf of the Company. Our policy applies to every part of our business and to every part of the world in which we operate. We will endeavor to adopt best practice to uphold the provisions of the Bribery Act and it will be our aim not to do business with any party who breaches the Act.

We expect all staff to act honestly and with integrity to safeguard Company's and our customers' assets, including information, goodwill, property and equipment. We each have a responsibility for fraud prevention, detection and reporting and the Board encourages anyone with reasonable suspicions of fraud or corruption to report them. All cases of attempted, suspected or proven fraud or corruption will be investigated and dealt with appropriately. No employee will suffer as a result of reporting reasonable suspicions.

#### **5.1.4 Facilitation payments**

In some countries our people may be asked for a payment to carry out or speed up a process. Such payments are known as facilitation payments. They are considered as a bribe under the Bribery Act. As such they are illegal and they are prohibited by this Policy.



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### **5.1.5 Supporting our people**

The Company will not penalize any employee by demotion, penalty or otherwise where an employee refuses to accept or pay a bribe, make a facilitation payment or engage in any form of fraudulent or corrupt activity, even if that refusal results in a loss of business to the Company.

### **5.1.6 Political donations**

Political donations can be perceived as unduly influencing a third party. The Company does not support or engage in any form of political donations, unless otherwise allowed by law. No employee or Precision Camshafts Limited group company will be permitted to make a political donation on behalf of or in Precision Camshafts Limited.

### **5.1.7 What should an employee do?**

We must all be particularly vigilant concerning gifts, hospitality and the actions of third parties engaging in transactions on our behalf. These three areas can frequently involve giving or accepting a bribe in ways which are not immediately identifiable.

Anyone who is offered a bribe or asked for a bribe, or is aware of any form of fraudulent or corrupt activity should report it immediately to their Manager, to their Human Resources team.

## **5.2. GIFTS AND HOSPITALITY**

### **5.2.1 Gifts and hospitality**

Giving or receiving of a gift/hospitality is not appropriate. It is prohibited to offer or receive gifts or hospitality that could influence or be perceived to be capable of influencing the outcome of transactions or decisions relating to Company's business.

### **5.2.2 Our responsibilities**

We each are responsible for knowing what our business guidance allows in respect of receiving and giving gifts and hospitality. Always seek guidance and approval from our General Manager before accepting or giving any gifts or hospitality.

### **5.2.3 Recording benefits**

All benefits must be recorded in a register to ensure transparency and avoid accusations of misconduct.

## **5.3 INSIDER TRADING**

### **5.3.1 Insider Trading**

There are restrictions on dealing in securities of the Company. The Company has a separate policy called "**Code of conduct for Regulating, Monitoring and Reporting trading by Insiders**" which intends to ensure protection of Unpublished Price Sensitive Information (UPSI) of the Company and ensure that employees who have access to such UPSI do not derive any undue advantage monetary or otherwise.

Policy adopted on 17<sup>th</sup> March 2022



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### **5.3.2 Persons Discharging Managerial Responsibilities and Insiders**

The Policy as stated above defines the term “Insider” and persons who shall abide by it.

## **5.4 CONFLICTS OF INTEREST**

### **5.4.1 Conflicts of Interest**

Every person of the Company must disclose or seek direction on any issues that could potentially conflict with their responsibilities to the Company.

### **5.4.2 What is a conflict of interest?**

Conflict of interest may arise when two or more competing interests could impair the ability to make objective, unbiased business decisions, which are not necessarily in the best interests of Company. Conflict of Interest may take the form of financial interests in a competitor, supplier or customer business, recruiting a close family member, close or longstanding friendships or relationships with competitors, suppliers or customers or engaging in employment outside the Company.

### **5.4.3 Disclosure**

In all cases potential conflicts of interest should be disclosed to the management, discussed openly and recorded. An annual update will be required.

## **5.5 ETHICAL PROCUREMENT**

### **5.5.1 Working with Others**

We must ensure that we maintain our ethical standards and behave respectfully when working with others. The relationships with our suppliers and business partners are based on the principle of fair and honest dealings at all times and in all ways. We expect our suppliers and business associates and joint venture partners to extend the same high standards to all others with whom they do business, including employees, sub-contractors and other third parties.

### **5.5.2 Adoption of policy**

We expect all of our business associates, joint venture partners and suppliers to adopt the same or equivalent standards as set out in this Policy and we reserve the right not to do business with companies where it can be demonstrated that significant violations of the Policy exist.

### **5.5.3 Code of Ethics**

There is a Code of Ethics for all employees involved in purchasing and supply chain management.



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## **5.6. COMPETITION**

### **5.6.1 Competition Law**

The Company, its subsidiaries and associate companies have a policy that all business activities are carried out in full compliance with competition laws – the laws which prevent anti-competitive behavior. Competition law prevents us from carrying out any activities that restrict competition and makes illegal activities such as price fixing, unfair pricing, market sharing and refusal to supply customers.

### **5.6.2 Our commitment**

We are committed to winning and keeping customers in an open, competitive and legal manner. Any failure to comply with competition laws could have serious adverse consequences for the Company and its employees.

## **5.7 MONEY LAUNDERING**

### **5.7.1 Money Laundering**

The Company aims to maintain our high standards of conduct by preventing criminal activity through money laundering.

### **5.7.2 What is money laundering?**

Money laundering involves turning the proceeds of crime into apparently innocent funds with no obvious links to their criminal origins. There is no threshold for the criminal activity and it covers the proceeds of any crime, including terrorist activities, drug trafficking, criminal breach of environmental legislation and health and safety and planning legislation.

## **5.8. RESPECT FOR HUMAN RIGHTS**

### **5.8.1 Universal Declaration on Human Rights**

We support the belief that human rights are universal and adhere to the principles of human rights in our operations. We support the United Nations Universal Declaration on Human Rights and work hard to ensure that in all areas of interaction with our employees, clients, suppliers, third parties, interviewees and joint venture parties that everyone is protected and treated absolutely fairly.

### **5.8.2 Diversity**

The Company respects and embraces diversity and expects its employees, suppliers and business partners to do the same.

### **5.8.3 Training Programme**



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As applicable, our people are required to undertake health and safety and equality and diversity training programs. Training is provided to all on ethical practices by the management either by external faculty or by internal faculty.

**5.9 Embezzlement:** Embezzlement is an act of theft or misappropriation of funds placed in the trust of someone such as funds belong to employer. Although such person is lawfully in possession of the fund, if they move the fund to some other account for their own personal use, it could be considered embezzlement.

**5.10 Extortion:** Obtaining money and property by threat to a victim's property or loved one's intimacy, or false claim of a right. Obtaining of property from another, with his/her consent, induced by the wrongful use of actual or threatened force, violence or fear.

The Company believes in zero tolerance policy on Embezzlement / Extortion. It encourages its employees, stakeholders not to get afraid of any such acts. Report the matter to HR in case of any such threat. HR will arrange to enquire the matter. On getting any clue on such matter, any employee or stakeholders should report and he/she shall be suitably rewarded.

## **5.11. LAW AND REGULATION**

### **5.11.1 Law and Regulation**

The Company respects the rule of law in all of our dealings and has as a minimum standard compliance with all laws and regulations which are applicable to the Company's businesses. The Company believes that it should act as a responsible citizen of India and engage along with public in promoting, advising, influencing the regulatory policies for the welfare of the community at large.

### **5.11.2 Consequences**

Failure to comply with the law and regulation will place the Company and its people at risk and result in potentially significant legal, financial, reputational and personal consequences.

### **5.11.3 Training Programme**

The Company develops training and compliance programmes for those of its people who can best ensure compliance with relevant legal issues. All employees selected for inclusion must attend a training session periodically when called upon to do so by the Company.

## **5.12 REPORTING, DISCLOSURE AND WHISTLE BLOWING**

### **5.12.1 Responsibility**

Every person of the Company has a responsibility to protect the Company's assets, including information and goodwill as well as property. The Company encourages its people to raise genuine concerns about malpractices at the earliest possible stage and in the right way. The Company has in place a separate policy on Vigil Mechanism.

### **5.12.2 Concerns**

Concerns will be treated seriously and investigated appropriately; where possible you will be kept up to date with progress.

Policy adopted on 17<sup>th</sup> March 2022



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### **5.12.3 Reporting**

If you have a concern about malpractices you should use the option you feel most comfortable with to raise concerns.

### **DISCLOSURE**

This Policy shall be disclosed on the Company's website at [www.pclindia.in](http://www.pclindia.in). Web link thereto shall be provided in the prescribed reports under Companies Act 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### **AMENDMENT AND UPDATES**

The Board shall have the power, subject to applicable laws, to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any statutory changes necessitating the amendment in the policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

Sd/-

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Yatin S. Shah  
Chairman and Managing Director