



Code of Conduct for Directors and Senior Management

Preamble:

This Code of Business Conduct ("Code") shall be called "The Code of Conduct for Directors and Senior Management" of Precision Camshafts Limited (the "Company" or "PCL"). The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Code is intended to maintain the high standards of transparency, business conduct ethics, corporate culture and the values The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees and other business associates.

The principles embodied in this Code lay down broad standards of compliance and ethics, as required by Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with the Stock Exchanges where securities of the Company are listed.

Definition:

Board shall mean the Board of Directors of the Company.

Company shall mean Precision Camshafts Limited

Compliance Officer shall mean the Company Secretary of the Company

Senior Management shall mean personnel of the Company who are members of its core management team (excluding Directors) and who occupy the position of chiefs / heads/ group head of various functions in the Company (i.e. all members of management one level below the executive directors, including all functional heads).

- **Honesty & Integrity**

Directors and Senior Management shall act on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. Directors and Senior Management shall act in good faith, responsibility, with due care, skill, competence and diligence, without allowing their independent judgment to be subordinated. Directors shall fulfill the fiduciary obligations and act in the best interests of the Company, its stakeholders and for the protection of environment.

- **Conflict of Interest**

Directors and Senior Management shall not engage in any business, relationship or activity, which may be in conflict with interests of the Company. A conflict of interest occurs when personal interest of a Director or Senior Management conflicts in any way, or even appears to conflict, with the interest of the Company as a whole. A conflict of interest also arises when a Director or Senior Management or a member of his or her



immediate family is likely to receive undue personal benefit as a result of his or her position as a Director or Senior Management of the Company.

Conflict may arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Set forth, are illustratively some of the common circumstances that may lead to a conflict of interest, actual or potential, and need to be avoided –

- o engaging in any activity / employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.
- o Material investment in a company, customer, supplier, developer or competitor or in any activity that is likely to compromise their responsibility to the Company.
- o Conducting Company's business with a relative or with a firm / company in which a relative / related party is associated in any significant role.

If any transactions which prima facie appear to be conflicting with the interest of the Company but are unavoidable, the Director or Senior Management involved in such transaction should first obtain approval from the Chairman of the Board of Directors before such transaction is entered into. The application seeking such approval should be routed through Compliance Officer of the Company. The Chairman would consider the application on the basis of the size and nature of transaction, the Director's or Senior Management's ability to influence the Company's decisions, his or her access to confidential information of the Company or of the other company and the nature of relationship between the Company and the other party.

In case the Chairman of the Board is interested, the matter should be referred to the Chairman of the Audit Committee of the Board.

• **Compliance with Laws, Rules and Regulations**

Directors and Senior Management shall meticulously comply with all applicable laws, rules and regulations, in all areas and geographies where the Company operates, both in letter and spirit. Company cannot accept practices which are unlawful or may be damaging Company's reputation. In order to assist the Company in promoting lawful and ethical behaviour, Directors and Senior Management must report any possible violation of law, rules, regulation or the Code to the Compliance officer. In the event, the implication of any law is not clear; the Compliance Officer shall be consulted for advice.

The independent Directors shall be required to comply with Schedule IV of the Companies Act, 2013 including their duties laid therein as under:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;



(3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

(4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(5) strive to attend the general meetings of the company;

(6) where they have concerns about the 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;

(7) keep themselves well informed about the company and the external environment in which it operates;

(8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

(10) 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;

(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) 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.

- **Other Directorships**

The Directors should promptly disclose their appointment/ cessation from directorship of other companies.

- **Respect for the Individual**

Executive Directors and Senior Management Personnel should ensure that:

(i) Subject to compliance with applicable laws regarding positive discrimination, individuals in all aspects of employment are not discriminated against on the basis of race, religion, colour, age, disability, gender, sexual orientation or marital status, and the sole criterion for recognition within the Company be that of work performance.

(ii) Racial, sexual or any other kind of harassment is not tolerated within the Company.



(iii) Personal beliefs of individuals are respected and that Company specifically disassociates itself from any activity, which challenges our commitment to cultural diversity and equal opportunities.

- **Dealing with the External Customers:**

Each Director and Senior Management should deal fairly with clients, vendors, and competitors. 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.

- **Confidentiality of Information**

Confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information or any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which the Directors or Senior Management have access, must be held in confidence, unless authorised to do so and when disclosure is required as a requirement of law. Directors or Senior Management shall not provide any information either formally or informally, to the press or any other publicity media, unless specifically authorised by the Chairman of the Board.

- **Insider Trading**

Directors and Senior Management shall not derive benefit or assist others to derive benefit by giving investment advice on the basis of the access to and possession of insider / price sensitive information about the Company which is not in public domain. Directors and Senior Management shall comply with the code of conduct from prevention of insider trading of the Company.

- **Protection of Assets**

Protection of the Company's assets is a key responsibility of every person associated with the Company. Directors and Senior Management are not expected to use Company assets for personal gains. Care should be taken to ensure that assets are not misappropriated, loaned to others or sold without appropriate authorization.

- **Other Obligations:**

The Directors and Senior Management shall,

- o dedicate sufficient time, energy and attention to uplift and better the Company's performance.
- o endeavor to attend all the meetings (including committee meetings, if any), proceedings and occasions as are required of the person in a constructive and active manner for the benefit, growth and development of the Company.



- o not make any statement or any other commitment without proper authority or with full knowledge that it is false
- o never compromise the interest of the Company
- o pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.
- o undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company and the external environment in which it operates.
- o Seek appropriate clarification and amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company.
- o Where they have concerns about the 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 meeting.
- o Ascertain and ensure that the Company has an adequate 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.
- o Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

- **Compliance officer**

The Company Secretary will be the Compliance officer for the purposes of the Code, who will be available to Directors and Senior Management to answer questions arising out of the Code.

- **Annual Review**

Directors and Senior Management shall affirm compliance with the Code annually on or before March 31 of every year or such other date as may be determined in this regard.

- **Amendment to the Code**

The Code is subject to modification / amendment from time to time as and when required. Any amendment to the provision(s) of the Code must be approved by the Board and communicated to the Directors and Senior Management.

- **Violations of the Code**

It shall be the duty of Directors and Senior Management Personnel to help the enforcement of the Code and any breach if communicated / noticed is to be reported to the Board. In case of breach of this Code by Directors and Senior Management Personnel, the same shall be considered by the Board for initiating appropriate action including disciplinary action such as termination of employment, suspension and/ or penalty, as deemed necessary



- **Acknowledgement Form**

Directors and Senior Management shall annually sign an acknowledgement form appearing at the end of the Code indicating that they have received, read, understood and agree to comply with the Code. Details of Acknowledgement Form is enclosed with policy as Annex.1

- **Website**

Pursuant to Regulation 46 of the Listing Regulations,, this Code and any amendments thereto shall be posted on the website of the Company: www.pclindia.in



ANNEXURE-I- ACKNOWLEDGMENT FORM

PRECISION CAMSHAFTS LIMITED

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT ACKNOWLEDGEMENT
FORM

I, have received and read the Company's CODE OF CONDUCT
FOR DIRECTORS AND SENIOR MANAGEMENT (the 'Code').

I have understood the provisions and policies contained in the Code and I agree to
comply with the Code.

Signature : _____

Name : _ _____

Designation : _____

Date : _____

Place : _____