

## Code of Conduct

# TEXMACO

Rail & Engineering Ltd.

# Ethics for Success

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- ★ Honesty
- ★ Integrity
- ★ Quality
- ★ Leadership
- ★ Trust & Respect
- ★ Responsibility





Legendary industrialist Dr Krishna Kumar Birla was a man of many facets, with an equal passion for not just expanding his well-known, and much respected, business empire founded by his father, but also towards philanthropy and education.

He was an outstanding visionary, a great parliamentarian, a business leader par excellence and a builder of modern educational and scientific institutions

Along with another legendary second-generation industrialist, late JRD Tata, Birla had co-authored what is called the “Bombay Plan” that outlined the role of businesses and the government in building a nation.

The seeds of corporate social responsibility in India were sown in that document which also spoke about the role of industries, entrepreneurs and policy makers in modernising and developing what was then a backward India.

He also had an equal passion for charity. It is not, therefore, surprising that the landmark Lakshmi Narayan temple in the capital visited by hundreds every day is also referred to as Birla Mandir.

“Spiritual strength and moral values were  
part of his personal credo.”

Dr. K K Birla  
(12 October, 1918 – 30 August, 2008)



## A message from our Chairman Mr Saroj Kumar Poddar :

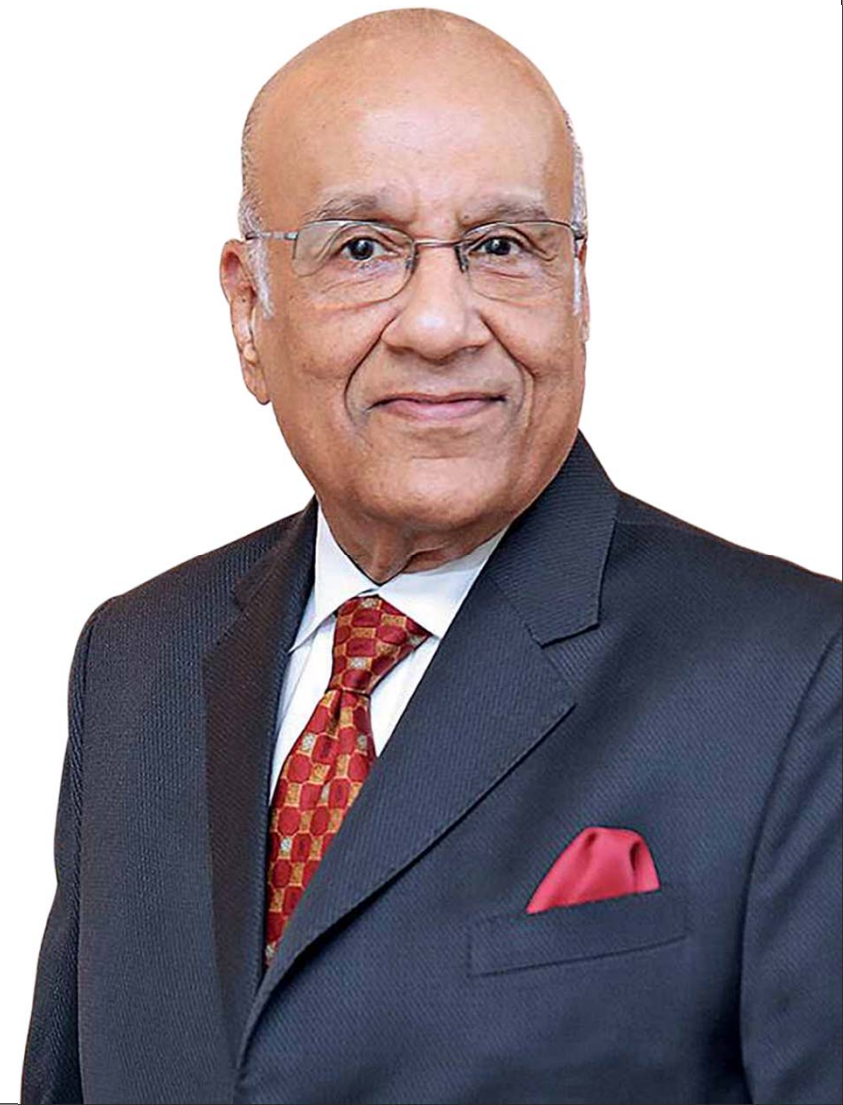
Good Day Team Members: Our Code of Conduct, consists of our fundamental commitment to conducting business honestly and ethically keeping Quality, Safety & Sustainability in focus.

We are committed to our values of Customers, Relationships, and Excellence. We must always act with integrity, take accountability for results, and do the right thing, even when the right thing is difficult to do.

As we gear up to becoming a Global Railway Solution provider, we must ensure to create value for our all stakeholders including those of customers, shareholders, employees and society at large from a long-term perspective.

Quality and Safety are our fundamental commitments and there is no compromise. It is important to know the policies and guidelines you are required to follow and use them when making decisions that affect the company. Taking personal responsibility for our actions is critical to our success.

If you witness misconduct in any form, speak up. Please know at Texmaco we do not tolerate retaliation for making a good faith report. I am looking forward to working with you to make our company the best performing in our domain of business.





## 1. Introduction

The Company aims to be the industry leader by achieving excellence in everything it does including standards of business conduct. This objective shall be achieved by adopting a policy to conduct its business with responsibility, integrity, fairness, transparency and honesty. The purpose of this code of conduct is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all other stakeholders. This code of conduct is also a tool in carrying out the Company's social responsibility in a more effective manner. This Code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and employees and the external environment in which the Company operates.

## 2. Application of this Code

This Code of Conduct applies to all the directors and employees of the Company. Senior Executives shall mean the members of core management team of the Company excluding Board of Directors and shall comprise of all the members of management one level below the executive directors, including all functional heads. Where the Company is a major or strategic shareholder in another company, that company and any joint venture partner or other shareholder(s) should also be made aware of this Code and encouraged to have similar Code. We aim to choose as business partners, people with high moral and ethical values compatible with our own. If we find ourselves in a business relationship with anyone (e.g. distributor, agent, joint venture partner, supplier, etc.) where it is clear that there is a serious incompatibility, which cannot be resolved we will seek to terminate the relationship.

## 3. Regulatory Compliance

The Company is committed to high standards of corporate governance and believes in compliance with all the laws and regulations both in letter and spirit. The Company has endeavoured in setting standards for itself, which are ahead of time and higher than those stipulated by the law. The Company is committed to provide in time, accurate and complete information as required, to all concerned including its stakeholders. Every Director and Employees of the Company shall, in his/her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which they operate.



#### 4. Safety, Health and Environment

The Company's vision envisages no compromise in its commitment to safety, health and responsible care for the environment. Health and safety of the people in and around its area of operations are of paramount importance to the Company. The Company is committed to environment protection, pollution control and maintenance of ecological balance. The Company shall maintain high standards of pollution control, environment protection and safety.

The company while taking the responsibility to ensure the Safety and Health of the workers, customers & visitors is also committed towards environmental protection of the workplace. Every employee should strive to meet the Company's Occupational Health and Safety goals and abide by the HSE policy of the Company and shall assist with the implementation of the policy by:

- working safely
- keeping work areas safe
- taking care of tools and equipment
- being able to perform safely at your based ability and
- maintaining complete transparency in reporting safety concerns including incidents, injuries and hazards.

#### 5. Respect for individual

The Company's vision is based on inspiring and unleashing creative potential in human assets of the Company. This is possible in an environment where we all respect the rights of those around us. In this direction, the Company shall: treat individuals in all aspects of employment solely on the basis of ability irrespective of race, caste, creed, religion, age, disability, gender, sexual orientation or marital status, and not tolerate racial, sexual or any other kind of harassment. The Company has also in place the policy on sexual harassment of employees.

#### 6. Honest and Ethical Conduct

The Directors and senior executives of the Company should act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Honest conduct is conduct that is free from any





fraud or deception. Ethical conduct is the conduct conforming to the accepted professional standards of conduct and shall include ethical handling of actual or apparent conflicts of interest between personal and professional relationships. It's the Company's policy to maintain a work environment that fosters the health and safety of its employees and protects the integrity of its business practices. Misusing controlled substances or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs or alcohol, is prohibited in the workplace or while performing work-related duties, as is undergoing treatment with a drug or other substance (including alcohol) that renders you unfit for duty.

## 7. Conflicts of Interest

The Directors and employees shall not engage in any activity or enter into any pecuniary relationship which might result in conflict of interest, either directly or indirectly. A "conflict of interest" occurs when an individual's private interest directly or indirectly interferes or appears to interfere with the interests of the Company. The directors and employees must act at all times in the Company's best interests and avoid putting themselves in a position where their personal interests conflict or appears to conflict with the interest of the Company. The personal interests will include those of their relatives.

## 8. Concurrent Employment

During the period of employment with the Company, the employee should not directly or indirectly be engaged in any trade or business or take up any other professional assignment without the prior written permission of the Company.

## 9. Misuse of Opportunities and Information

Directors and employees owe a duty to the Company to advance the Company's business interest when appropriate. Directors and senior executives are prohibited from taking (or directing to a third party) a business opportunity (relevant to the line of business intended to be pursued by the Company) that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. The directors and senior executives are prohibited from using corporate property, information or position for personal gain and from competing with the Company. Wherever, it is difficult to



differentiate between personal and Company benefits or there are both personal and Company benefits in certain activities, the only prudent course of conduct for the directors and senior executives is to make sure that any use of Company property or services or such transactions that is not solely for the benefit of the Company has prior approval of the competent authority.

## 10. Confidential Information

During the course of employment or dealing with the Company, any information of the confidential nature (whether about the Company, other companies or individuals) that is known to directors or senior executives shall be treated as confidential unless publicly available. Such information should be used only for the purpose of business of the Company. This obligation continues for three years even after leaving the Company. The Company also respects the rights of others regarding their confidential information. Where information is received from third parties under conditions of confidentiality, the directors and senior executives shall comply with those conditions, but no-one should solicit confidential information from third parties without prior authorisation. The use of Company information for personal gain is strictly prohibited. Directors and senior executives or members of their families should not trade in securities of the Company when in possession of unpublished price sensitive material and during trading window restriction period.

## 11. Fair Dealing

The Company does not seek competitive advantages through illegal or unethical business practices. Each director and employee should endeavour to deal fairly with the Company's customers, service providers, suppliers, competitors and employees. No director or senior executive should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice. The Directors and Senior Executives shall immediately bring to the notice of the Board and Whole Time Director, respectively, any unethical behaviour and actual or suspected fraud.

## 12. Protection and proper use of Company Assets

The assets of the Company shall not be misused by the Directors and employees during the course of conducting the business of the Company or otherwise. The Assets include tangible assets such as equipment and machinery, systems, facilities, materials, resources, etc. as well as intangible assets such as proprietary information, process, design, etc. whether patented or not, relationships with customers and suppliers, etc.





### 13. Bribery

The payment of bribes, kickbacks or other payments of this nature in cash or kind to obtain business or otherwise gain advantage for the Company is strictly prohibited, irrespective of whether payments or offers are made directly or indirectly.

### 14. Gifts and Entertainment

Though business gifts and entertainment are customary in many parts of the world they need to be viewed with caution. The directors and senior executives may accept and offer nominal gifts which are customarily given and/ or are of commemorative nature for special events. Except for above, the Directors and employees shall neither receive nor offer or make directly/ indirectly any illegal payments, gifts or any benefits which are intended to obtain unethical favour.

### 15. Wealth Creation

The Directors and employees shall be committed to enhance the shareholders' worth/ value and shall strictly comply with all regulations and laws that govern shareholders' rights. The Board shall duly and fairly inform the shareholders all relevant aspects about the company's business and disclose such information as may be required, from time to time, in accordance with the applicable rules and regulations.

### 16. Corporate Social Responsibility

The Company is committed to serve the community around its area of operations. The Company believes that no organization can survive in isolation, and it has a responsibility towards public at large. The Company aims to reach out to the neighbouring communities, conserve the environment and nurture young people. The Company shall continuously take requisite community development initiatives around the areas of its operations.

### 17. Financial and Operational Integrity

The Company is committed to disclose in its financial statements all the information required to be disclosed under the relevant accounting standards or under any laws or regulations. It is essential to record all the transactions fully and properly in the financial statements. Internal accounting and audit procedures shall fairly and accurately reflect



all the Company's business transactions and disposition of assets The fees and compensation payable to the Directors – both executive and non-executive, shall be fixed by the Board and approved by the shareholders as per the applicable provisions of law and the same will be fully disclosed in the Annual Report to the Members. No record entry or document shall be false or misleading and no undisclosed or unrecorded account, fund or asset shall be established or maintained. The auditors shall be provided full access to all information and records of the Company. The Company will not knowingly assist fraudulent activity by others.

## 18. Implementation

Directors and employees are accountable for full compliance with this Code of Conduct.

## 19. Interpretation

Any question relating to how this Code should be interpreted or applied should be addressed to the Company Secretary. Annexure 1 CODE OF INTERNAL PROCEDURE AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

1. INTRODUCTION Insider trading means dealing in Securities of a company by its Directors, Employees or other Insiders based on unpublished Price Sensitive Information. Such dealings by Insiders erode the investors' confidence in the integrity of the management and are unhealthy for the capital markets. Every director, officer, designated employee of the Company and their dependents has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the company. No director, officer, designated employee and their dependents may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. In line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2015 issued on 15th January 2015, the following Code of Conduct (hereinafter referred to as the 'Code') has been adopted by the Board of Directors of the Company and shall be effective from 15th May, 2015.

2. DEFINITIONS For the purpose of this Code of Conduct) "Act" means the Securities and Exchange Board of India Act, 1992.

- (a) "Board" means the Board of Directors of the Company.
- (b) "Company" means Texmaco Rail & Engineering Limited.





- (c) "Compliance Officer" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- (d) "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.
- (e) "Connected Person" means:
  - (i) any person who is or has during the six months prior to the concerned act been associated with a company,, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
- (f) an immediate relative of connected persons specified in clause (i); or
- (g) a holding company or associate company or subsidiary company; or
- (h) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- (i) an investment company, trustee company, asset management company or an employee or director thereof; or
- (j) an official of a stock exchange or of clearing house or corporation; or



- (k) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- (l) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- (m) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- (n) a banker of the Company; or
- (o) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- (p) "Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent. h) Designated Employee(s) shall include :
  - (i) every employee in the grade of Assistant General Managers and above;
  - (ii) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
  - (iii) any other employee as may be determined and informed by the Compliance Officer from time to time.
- (q) "Director" means a member of the Board of Directors of the Company.
- (r) "Employee" means every employee of the Company including the Directors in the employment of the Company.
- (s) "Immediate Relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- (t) "Insider" means any person who,
- (u) a connected person; or ii) in possession of or having access to unpublished price sensitive information.
- (v) "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof:





- (w) "Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013.
- (x) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- (y) "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- (z) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- (zz) "Trading Day" means a day on which the recognized stock exchanges are open for trading.
- (zzi) "Unpublished Price Sensitive Information" means: means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
  - i) financial results.
  - ii) dividends.
  - iii) change in capital structure.
  - iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions.
  - v) changes in key managerial personnel
  - vi) material events in accordance with the listing agreement
- (zzii) "Specified Persons" means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relatives are collectively referred to as Specified Persons. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992



(15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

1. The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.
2. The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

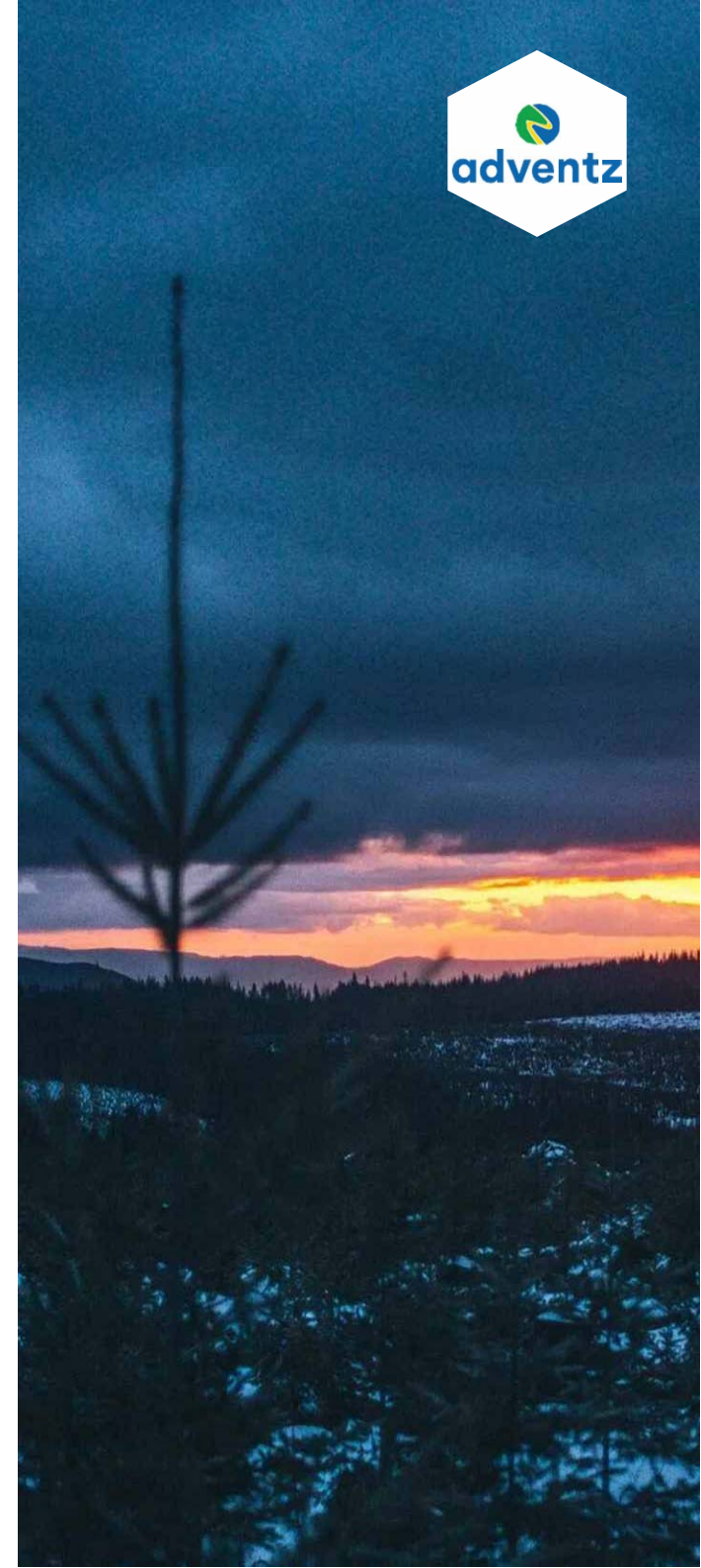
## 20. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT

- (i) Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- (ii) Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- (iii) Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

## 21. CODE OF FAIR DISCLOSURE

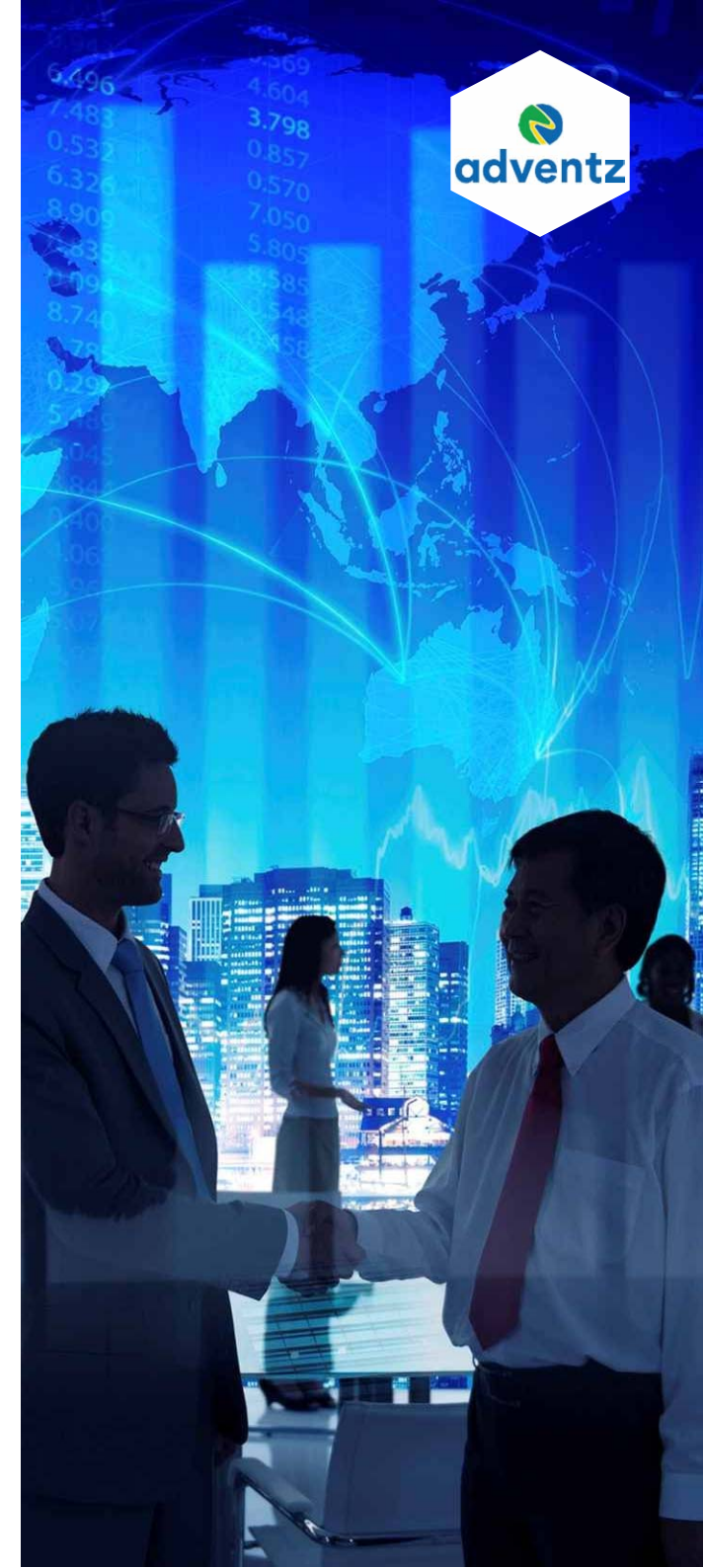
A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.





4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis. The Independent Directors shall –
  - a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
  - b. 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.
  - c. strive to attend all meetings of the Board committees of which they are members, of Directors and of the Board
  - d. participate constructively and actively in the committees of the Board in which they are chairpersons or members.
  - e. strive to attend the general meetings of the Company
  - f. 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.
  - g. keep themselves well informed about the environment in which the Company operates



- h. not unfairly obstruct the committee of the Board, functioning of an otherwise proper Board or ix. 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.
- i. ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use
- j. report concerns about unethical behaviour, actual or suspected violation of the Company's code of conduct or ethics policy, fraud or
- k. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
- l. 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
- m. not enter into any non-cash transactions with the Company as required by section 192 of the Companies Act, 2013.
- n. not have any forward dealings in the Securities of the Company as required by section 194 of the Companies Act, 2013.

The Company through its Executive Directors / Departmental Heads make presentations about performance of the various Divisions to the Board to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Such presentations provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time.





INTEGRITY  
IS DOING THE  
RIGHT THING.

EVEN WHEN  
NO ONE IS  
WATCHING.

C.S. LEWIS



**Texmaco Rail & Engineering Ltd.**  
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