



**Electronics Corporation of India Limited**

**CODE OF BUSINESS CONDUCT AND ETHICS  
FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

**1.0 Introduction**

- 1.1 This Code shall be called “The Code of Business Conduct and Ethics for Board Members and Senior Management” of Electronics Corporation of India Limited (hereinafter referred to as “the Company”).
- 1.2 The purpose is to enhance ethical and transparent process in managing the affairs of the Company.
- 1.3 This Code complies with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and as per the Guidelines of DPE.
- 1.4 It shall come into force from the 1<sup>st</sup> day of October, 2009.

**2.0 Definitions and Interpretations:**

- 2.1 “Board Members” shall mean Directors on the Board of Directors of the Company.
- 2.2 “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.
- 2.3 “Part-time Directors” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 2.4 “Relative” shall have the same meaning as defined in Section 6 of the Companies Act, 1956.
- 2.5 “Senior Management” shall mean 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, including all functional heads.
- 2.6 “Company” shall mean Electronics Corporation of India Limited.

*Note:* In this Code, words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

### **3.0 Applicability**

3.1 This code shall be applicable to:

- a) All Whole-time Directors including the Chairman & Managing Director.
- b) All Part-time Directors including Independent Directors under the provisions of law.
- c) Senior Management.

3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

### **4.0 Contents of Code**

Part I General Moral Imperatives

Part II Specific Professional Responsibilities

4.1 This code is intended to serve as a basis for (i) ethical decision-making in the conduct of professional work, and (ii) judging the merit of a formal complaint pertaining to violation of professional ethical standards.

4.2 Some words and phrases in this document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

## **PART – I**

### **5.0 General Moral Imperatives**

#### **5.1 To contribute to society and human well being**

5.1.1 The Whole-time Directors and Senior Management shall attempt to ensure that the products of their efforts will be used in socially responsible ways, will meet social needs leading to a safe, social and natural environment, and will avoid harmful effects to health and welfare of others.

5.1.2 The Whole-time Directors and Senior Management 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 moral responsibility for the safety and protection of human life and environment.

5.2 **Be honest, trustworthy and practice integrity**

5.2.1 All Board Members and Senior Management shall act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the company.

5.3 **Be fair and take action not to discriminate**

5.3.1 The value of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4 **Honour confidentiality**

5.4.1 All Board Members and Senior Management shall maintain the confidentiality of all unpublished information about business and affairs of the Company.

5.5 **Pledge and Practice**

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 To work unstintingly for eradication of corruption in all spheres of life.

5.5.3 To remain vigilant, work towards growth and reputation of the Company.

5.5.4 To bring pride to the organisation and provide value-based services to Company's stakeholders.

5.5.5 To perform duty conscientiously and without fear or favour.

**PART – II**

6.0 **Specific Professional Responsibilities**

6.1 **To live the Vision, Mission and Values** of Electronics Corporation of India Limited each day. For quick reference they are as under:

6.1.1 **Vision:** "To help the country achieve self-reliance in strategic electronics"

6.1.2 **Mission:** "To strengthen its status as a valued technological asset to the Nation in the area of Strategic Electronics meeting the requirements of Atomic Energy, Defence, Space, Civil Aviation, Security and such other sectors of strategic, economic and social importance."

### 6.1.3 Values

- 1) Zeal to excel and zest for change
- 2) Integrity and fairness in all matters
- 3) Respect for dignity and potential of individuals
- 4) Strict adherence to commitments
- 5) Ensure speed of response
- 6) Foster learning, creativity and team-work
- 7) Loyalty to the company

**6.2 To strive to achieve the highest quality, effectiveness and dignity in both the process and products of professional work,** as excellence is the prime obligation of a professional.

**6.3 To acquire and maintain professional competence** and to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

**6.4 To comply with laws:** Individual members shall comply with all the applicable provisions of existing local, state, national, and international laws, shall follow and obey the policies, procedures, rules & regulations relating to business of the company.

**6.5 To accept and provide appropriate professional review:** Whenever appropriate, the Board Members and Senior Management should seek and utilize peer review as well as provide critical review of the work of theirs.

**6.6 To manage personnel and resources to enhance the quality of working life:** The Board Members and Senior Management are responsible to ensure (i) a conducive working and business environment is created for fellow employees to enable them deliver their best, (ii) human dignity of all employees, (iii) to 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.

**6.7 To be upright and avoid any inducements:** The Board Members and Senior Management 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.

**6.8 To 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, and

in others they are designed to put a constraint on action. All must learn to recognise the difference and appreciate why they need to observe them.

6.9 **To conduct:** The Board Members and Senior Management shall conduct themselves, both on and off duty, in a manner that reflects credit to the Company.

6.10 **To be accountable:** The Board Members and Senior Management shall keep in mind at all times that they are accountable to Company's stakeholders.

6.11 **To prevent insider trading:** The Board Members and Senior Management shall comply with the code of internal procedures and conduct for prevention of insider trading in dealing with securities of the company, as and when applicable.

6.12 **To identify, mitigate and manage business risks:** The Board Members and Senior Management shall identify the business risks that surround the area of operation of the company and assist in the company-wide process of managing such risks, so that the company may achieve its wider business objectives.

6.13 **To protect properties:** The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

## 7.0 Specific Provisions

7.1 The Board Members and Senior Management shall undertake to actively participate in meetings of the Board and Committees on which they serve.

### 7.2 Board Members

7.2.1 Each board member undertakes to inform the Chairman & Managing Director / Company Secretary of any changes 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 or may impact the judgement of the Board as to whether they meet the independence requirements of Listing Agreement with Stock Exchanges and the Guidelines of DPE.

7.2.2 Each board member undertakes that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest that may exist when they have personal interest that may have a potential conflict with the interest of the Company. *e.g:*

- **Related Party Transactions:** Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

- **Outside Directorship:** Accepting Directorship on the Board of any other Company that competes with the business of the Company.
- **Consultancy / Business / Employment:** Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.
- **Use of Official position for personal gains:** Should not use their official position for personal gains.

### 7.3 **Compliance**

- 7.3.1 The Board Members and Senior Management of Company shall uphold, promote, encourage and support adherence to principles of this code by others.
- 7.3.2 The Board reserves the right to take appropriate action against any defaulter if any Board Member and Senior Management does not follow this Code.

### 7.4 **Miscellaneous**

#### 7.4.1 **Continual updation of Code**

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments/modifications shall take effect prospectively from the date stated therein.

#### 7.4.2 **Where to seek clarifications**

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact the officer specifically designated by the Board for such purposes.



**Electronics Corporation of India Limited**

**ACKNOWLEDGEMENT**

I have received a copy and read the Code of Business Conduct and Ethics for Board Members and Senior Management of the Company. I understand the standards and policies contained therein and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code.

If I have questions concerning the meaning or application of the said Code, any policies or the legal and regulatory requirements applicable to my job, I know I can consult Director (Personnel) or Company Secretary of ECIL knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an annual basis to the Company within 30 days from 31<sup>st</sup> March, ie. on or before the 30<sup>th</sup> April, every year.

**AFFIRMATION**

(By Board Members/Senior Management of the Company on Annual basis)

I, ..... (name) .....,  
(Designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and have not violated any provisions of the Code during the year ended 31<sup>st</sup> March .....

Place: \_\_\_\_\_ Signature \_\_\_\_\_  
Date: \_\_\_\_\_ Employment No \_\_\_\_\_  
Telephone No \_\_\_\_\_