



# **SHETRON LIMITED**

THE NAME BEHIND THE NAMES

## **CODE OF BUSINESS CONDUCT AND ETHICS**

**(Approved on Board Meeting dated 02.02.2015)**

**(Amended at the Board Meeting held on 29.01.2019)**

### **Registered Office:**

Plot No. 1, Bommasandra Industrial Area  
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CIN: L21014KA1980PLC003842

## **CODE OF BUSINESS CONDUCT AND ETHICS**

This code of business conduct shall apply to the Directors and Members of the Senior Management of M/s Shetron Limited.

This Code envisages that the Board of Directors of the Company ("Board") and Senior Management Personnel (as hereinafter defined) (collectively referred to as "Officers") must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law.

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 Officers by the shareholders of the Company. Officers 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.

The principles prescribed in this Code are general in nature and lay down broad standards of compliance and ethics, as required by Clause 49 of the Listing Agreement with the Bombay Stock Exchange. The Officers 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.

For this code, “**Senior Management**” means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Joint Managing Directors/whole time director (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Directors and Senior Managers shall affirm compliance with this code on an annual basis as at the end of each financial year (April to March).

Shetron Limited is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company is committed to be a good corporate citizen. All Directors, officers and employees of the Company must strive to perform best at all times.

## **1. CONFLICTS OF INTEREST:**

The Directors, officers and employees should avoid 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, they should disclose all facts and circumstances thereof to the Board of Directors or any officer nominated for this purpose by the Board and a prior written approval should be obtained.

## **2. PROTECTING COMPANY ASSETS:**

Protecting the Company's assets is a key responsibility of every employee, agent and contractor. The Company's assets have been employed only for the purpose of conducting the business for which they are authorized. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. The employees, agents and contractors are responsible for the proper use of Company assets and must safeguard such assets against loss, damage, misuse or theft. Employees, agents or contractors who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any Company asset may be subject to disciplinary action.

## **3. INTEGRITY AND HONESTY:**

The Directors, officers and employees shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct within the Company's premises. They shall act free from misrepresentation, suppression and deception. Their conduct shall conform to the professional standards of conduct.

## **4. HEALTH, SAFETY, ENVIRONMENT AND SOCIAL RESPONSIBILITY:**

The safety of people at the workplace is a primary concern of the Company. Each of us must comply with all applicable health and safety policies. We maintain compliance with all local laws to help maintain secure and healthy work surroundings. Shetron Limited shall strive to provide a safe and healthy working environment and comply with all regulations regarding the preservation of the environment in and around its manufacturing facilities and other points of operation.

## **5. CONFIDENTIALITY:**

The Directors, officers and employees shall maintain the confidentiality of information or that of any customer, supplier or business associate of the Company to which the Company has a duty to maintain confidentiality, except when disclosure is authorised. The use of confidential information for personal advantage or profit is also prohibited.

## **6. COMPLIANCES:**

It is the Company's policy to comply fully with all applicable laws and regulations governing contact and dealings with government employees and public officials and to adhere to high ethical, moral and legal standards of business conduct. This policy includes strict compliance with all local, state, Central and other applicable laws, rules and regulations.

## **7. DISCRIMINATION AND HARASSMENT:**

The Company is firmly committed to providing equal opportunity in all aspects of employment and any illegal discrimination or harassment of any kind is prohibited.

## **8. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR:**

If any Director/Covered Employee believes that a violation of or significant deviation from the Code has occurred or has become unavoidable, he/she must contact the Managing Director and in appropriate cases the Chairman of the Audit Committee.

Use of the above reporting procedures in bad faith or in a false or frivolous manner will be considered a violation of the Code.

## **9. INSIDER TRADING:**

Obligations under the Indian securities laws apply to everyone as the Company is listed on the Bombay Stock Exchange. In the normal course of business, officers, Directors, employees, agents, contractors and consultants of the Company may come into

possession of significant and sensitive information. This information is the property of the Company you have been entrusted with it. You should not profit from it by buying or selling securities yourself. Further, you are not to tip others to enable them to profit or for them to profit on your behalf. The purpose of this policy is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to the Company policy and applicable Indian securities laws.

#### **10. SPECIFIC CODE FOR INDEPENDENT DIRECTORS:**

Schedule IV of the Companies Act, 2013 read with Section 149(8) has specified a Code for Independent Directors which has been set out in **Annexure – I**.

#### **11. DISCIPLINARY ACTIONS:**

All officers should adhere to the code of business conduct and ethics of the Company. Violations of this code of ethics will result in a disciplinary action, which may even include termination of services of the employee. The Board of Directors or any person designated by the Board for this purpose shall determine appropriate action in response to violations of this code of ethics.

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**ANNEXURE – I**  
**CODE FOR INDEPENDENT DIRECTORS**

**I. Guidelines of professional conduct:**

An Independent Director shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising his duties;
3. Exercise his responsibilities in a *bona fide* manner in the interest of the company;
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. 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;
7. Refrain from any action that would lead to loss of his independence;
8. Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
9. Assist the company in implementing the best Corporate Governance practices.

**II. Role and functions:**

The Independent Directors shall:

1. 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;
2. Bring an objective view in the evaluation of the performance of board and management;

3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. Safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Balance the conflicting interest of the stakeholders;
7. Determine appropriate levels of remuneration of executive directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of executive directors, Key Managerial Personnel and Senior Management;
8. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties:**

The Independent Directors shall—

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 behavior, 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.

Date: 29.01.2019

Place: Bengaluru

Diwakar S Shetty  
Chairman