

# PATEL INTEGRATED LOGISTICS LIMITED

## CODE OF CONDUCT

*Originally adopted by the Board of Directors on 1<sup>st</sup> January 2006  
Amended version adopted by the Board of Directors on 4<sup>th</sup> July 2014*

### (I) **Definitions:**

- (i) 'Applicable Laws' means and include all Acts promulgated in India and the Rules, Regulations, Guidelines etc. made under the provisions of such Acts, which are applicable to the functioning of Companies / Corporations / Bodies Corporate with special emphasis on the provisions of Standard Listing Agreement, Companies Act, 2013, Securities Contract Regulation Act, 1992, Securities and Exchange Board of India Act, 1992 and Rules, Regulations, Guidelines etc. framed under various provisions of these Acts.
- (ii) 'Articles' means Articles of Association of the Company.
- (iii) 'Board' means Board of Directors of Patel Integrated Logistics Limited
- (iv) 'Code' means this Code of Conduct.
- (v) 'Company' means Patel Integrated Logistics Limited
- (vi) 'Director' as defined under section 2(34) of the Companies Act, 2013 means a person appointed to the Board of the Company as the Director under the provisions of Companies Act, 2013 and includes a Whole-time Director and a Managing Director.
- (vii) 'Independent director' means an independent director referred to in sub-section (5) of section 149 of the Companies Act 2013.
- (viii) 'Person' shall mean the Directors and the Senior Management of the Company and every other employee who is required to comply with this Code.
- (ix) 'Relative' means a person who is deemed to be a relative under the provisions of Section 2(77) of the Companies Act, 2013 read with Companies (Specification of definitions details) Rules, 2014.
- (x) 'Senior Management' includes all employees in the Grade of Assistant General Manager and above, as per the personnel policies of the Company, for the time being and from time to time in force and also includes employees who though not in the aforesaid Grades do, or are required to, take part in deliberations at the Board Level by virtue of their job responsibilities or by invitation.

All references to male gender in this code shall be construed to also mean references to the female gender.

(II) **Corporate philosophy:**

To strive to achieve the corporate objectives within the framework of the national interest, macro and micro economic policies devised by the Government of India and to conduct the business affairs of the Company in an ethical and transparent manner, to strive for the maximization of the shareholders' wealth and in doing so contribute positively to the economic development of India and achievement of the overall objectives of the Company.

(III) **Applicability of the Code:**

This Code applies to Directors and Senior Management of the Company.

(IV) **The Corporate Code:**

Patel Integrated Logistics Limited, the Flagship Company of the Multi-Dimensional and Multi-National Group of Companies known as 'House of Patels', has always set standards since its inception, be it the quality of services provided or the transparency of the management.

This code of conduct is the pronouncement of the value based system of management which is inculcated and deeply rooted in all persons associated with functioning of Patel Integrated Logistics Limited.

This code reiterates that all persons to whom this code is applicable are required to conduct the affairs of the Company in such manner as will uphold the values and commitments by which Patel Integrated Logistics Limited is known in the corporate world.

(V) **Personal conduct:**

Every person to whom this code is applicable, shall conduct himself with Dignity, Honesty and Integrity. His behavior shall confirm to highest moral and ethical standards. It shall be a part of responsibilities of such person to ensure that the Company does not stand to loose on any count, including finance, reputation or goodwill, due to unwholesome behavior on his part. He shall, at all times, act in a courteous and respectful manner.

Every person must ensure that their conduct at all times, in official as well as personal capacity is such that the Company's reputation is upheld.

Every person at no time should indulge in any action or behavior that violates any law, or is indicative of personal indiscretion or is socially unacceptable; There cannot be any predefined list of acts indicative of personal indiscretion or list of acts which are socially unacceptable. Respect for the self as well as for others has to be the guiding principle for personal conduct. Every person must exercise sound judgment and demonstrate a serious sense of responsibility and maturity at all times in official as well as personal capacities.

(VI) **Conduct of duties:**

Every person to whom this code is applicable, shall conduct his duties and observe responsibilities associated with his duties with professionalism and due diligence. Without compromising on or limiting the standards of professionalism and diligence required, it may be stated that such person is expected to :

- (a) Comply with all the policies and procedures laid down by the Company;
- (b) Comply with all applicable laws affecting his sphere of duties and responsibilities;
- (c) Consider the interest of the Company of the paramount importance and always act and take decisions in the interest of the Company.
- (d) Not to use the confidential / insider information about the affairs of the Company, acquired in the course of conduct of his duties, to his personal advantage or to the advantage of his relatives or friends. The advantage acquired or gained by using such confidential / insider information includes the dealing in the shares / securities of the Company, based on such information, to ones own advantage or to advantage of relatives / friends. The confidential / insider information, inter alia, include the following:
  - (i) Financial information such as profits, dividends, cash flows, issue of securities like bonus, rights etc.
  - (ii) Events like, acquisitions, divestments, launch of new products or services
  - (iii) Restructuring plans, decisions regarding appointments etc. of key personnel.
- (e) Disclose his personal interest in any contract, agreement or arrangement entered into or to be entered into by or with the Company with or by any other person(s), such contract, agreement or arrangement include service contracts, financial contracts, employment contracts, securities contracts and the contracts entered in to by the Company in the ordinary course of its business.
- (f) Comply with all lawful and reasonable instructions of his seniors in the organisational hierarchy with the best of his endeavours.
- (g) Inform the Board of Directors of the violation or potential violation of the provisions of this Code which are materially detrimental to the interests of the Company.

- (h) **Avoidance of Conflict of Interest:** All the directors and Senior management of the Company should, to the maximum extent possible, avoid situations in which their personal interests conflicts with the interest of the Company. In the event, there is any potential conflict, it must be disclosed to Board for guidance and actions, as the Board may be considered fit and necessary.
- (i) **Transparency:** All the directors and the Senior Management must ensure that their actions in the conduct of the business of the Company are transparent except where the situation demands confidentiality and secrecy.

**(VII) Protection of Company's property:**

It shall be a duty of every person to whom this code is applicable, to protect from encroachment and misuse, assets and properties of the Company, including tangible assets like buildings, land, structures, equipments, materials, facilities and intangible assets like proprietary information, goodwill etc., with the best of his endeavours.

**(VIII) Disclosure of Information:**

All statements made to the media on behalf of the Company should be true and fair. Only persons duly authorised by the Management are allowed to interact with media on specified subjects.

Disclosures of any information other than statutory disclosures or other than those specifically authorised by the Management is prohibited. Disclosure of information on proceedings of board meetings / committee meetings / internal meetings, and disclosure of forecast of business statements is prohibited.

In case any such disclosure has to be made, it has to be approved by the Chairman or Executive Vice Chairman of the Company and shall be combined with cautionary statements, wherever required. Directors / Management Personnel shall not disclose non public information selectively to any particular group as it may lead to unfair advantage / discrimination.

**(IX) Health and Environment:**

The Company believes in sustainable development and shall endeavor to conduct the business and operations of the Company in an environmentally friendly manner and provide a healthy working environment to its employees.

The Directors and the senior management personnel of the Company shall ensure compliance with all the applicable environmental, safety and health laws and regulations and internal policies.

(X) **Integrity of information:**

Every person to whom this code is applicable, shall ensure that the data / information furnished by him to any person within the Company or any outside person / authority has integrity and is dependable and that such data / information is not in conflict with any fact(s) or figure(s) about the Company which he, as a person of reasonable prudence, is supposed to be aware of or could have made himself aware of by applying reasonable care before the dissemination of such data / information.

(XI) **Gifts, favors etc.:**

No person to whom this code is applicable, shall accept any gift or other favors, whether financial or not, from any person, where such gift or favor is made in order to influence his judgement or procure a return favor from him against the interests of the Company. However, acceptance of gifts on the occasions where people are known to exchange gifts like Diwali, New Year, Christmas etc. are outside the purview of these provisions.

Gifts, payments, business courtesies, favors may be given to others at Company expense only if they meet all of the following criteria:

1. They are consistent with the customary business practices;
2. They are not in contravention of applicable law;
3. Public disclosure of these facts will not create the appearance of impropriety or embarrass either the Company or the employees;

(XII) **Additional responsibilities of Directors:**

Besides the duties and responsibilities cast upon Directors of the Company by applicable laws, Articles of Association of the Company and provisions of this code, mentioned hereinbefore, a Director of the Company is also expected to:

- (a) Make reasonable efforts to attend Board Meetings, Meetings of Committees of the Board and General Meetings of shareholders, regularly;
- (b) Dedicate sufficient time, attention and energy to the deliberations of the Board including making preparations for Board / Committee Meetings, reviewing the data in connection with the Board / Committee meetings sent to him and making reasonable enquiries;
- (c) Avoid a pre-conceived stand on any issue and take part in the discussions / deliberations of the Board with an open mind and share the information at his disposal with his fellow Directors;

- (d) Inform the Board well in advance in case he is not in a position to attend a Board / Committee Meeting.

(XIII) **Duties of Independent Directors:**

In addition to aforesaid clause, the independent directors shall also—

- (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.

(XIV) **The Company as an employer:**

The Company shall continue to have definite and well etched out policies and procedures for hiring, training, and promoting of its employees. The Company shall foster such an employee culture which will promote freedom of expression, congenial work atmosphere and also provide ample scope for vertical and horizontal career growth. The employees shall be assured of highly professional work environment, challenging assignments and high job satisfaction.

The Company as an employer shall provide equal opportunities to all employees and applicants for jobs without any regard to the caste, religion, sex, or marital status. The employees of the Company shall be treated with dignity and the work environment shall be free of any harassment be it physical, verbal or psychological.

(XV) **Nature of the Code:**

This code of conduct is meant to be a dynamic document from which concerned persons draw guidance and inspiration for proper and wholesome conduct in the discharge of their duties and responsibilities as aligned with the values and commitments of the Company. It is not a historical parchment or a static one time document. It is subject to review, amendments and improvement at all times by the Board of Directors of the Company.

**The Code is not meant to supplant or over ride the applicable laws and the existing contract / agreements / arrangements to which the persons, to whom this code applies, are subject to. In fact it is meant to supplement such laws, contracts, agreements etc.**

(XVI) **Waivers:**

The application of any specific provision(s) of this Code may be waived for any officer / employee of the Company by obtaining a prior written approval of the Chairman or Executive Vice-Chairman of the Company.

(XVII) **Construction and Interpretation:**

**Any question or doubt as to** the meaning or interpretation of any provision of this code shall be referred to the Executive Vice-Chairman of the Company and in his absence to the Chief Financial Officer of the Company. The Executive Vice-Chairman or the Chief Financial Officer, as the case may be, shall construe such provision in consultation with the Chairman of the Audit Committee. An outside legal help may also be solicited for this purpose.

The interpretation or construction of any provision upon any question or doubt, imparted by the Executive Vice-Chairman or the Chief Financial Officer, as mentioned above, shall be final and binding on all the concerned persons.

**(XVIII) Manner of communication of the Code:**

The code shall be communicated to all the concerned persons, desirous of / required to know its provisions by way of posting the same on the web-site of the Company.

**(XIX) Non Adherence:**

Any instance of non-adherence to the Code of Conduct or any other observed unethical behavior on the part of those covered under this Code should be brought to the attention of the immediate reporting authority, if any, or otherwise should be brought to the attention of Executive Vice-Chairman or the Chief Financial Officer, as the case may be, who shall take an appropriate action in consultation with the Chairman of the Audit Committee.

**(XX) Implementation of provisions of the Code:**

The Original Code came in to effect from 1<sup>st</sup> January 2006 and this amended version of the code shall come into effect from 1<sup>st</sup> April 2014. The Code of Conduct, including the amendments to the Code of Conduct shall be posted on the website of the Company.

Every person to whom this code is applicable is required to fill in and sign the Acceptance Letter, annexed with this code as 'Annexure 1' and submit the same to the Board of Directors as at the commencement of this code.

The Acceptance Letter is to be submitted within one month of the commencement of the code or within one month of the date of joining of any person to whom this code is applicable, whichever is later.

On a continual basis, every person to whom this code is applicable, shall submit to the Board of Directors, a declaration set forth in 'Annexure 2' to this code, every year on or before 30<sup>th</sup> April of that year declaring the compliance with the provisions of this code in the financial year ending on 31<sup>st</sup> March of that year. Such financial year shall be the 'Reporting Period'.

The Board members and senior management personnel shall affirm the compliance with the Code on an annual basis. The Annual Report of the Company shall also contain a declaration to this effect.



The declarations, letters and other correspondence addressed to the Board of Directors of the Company, under the provisions of this code shall be sent to the Company Secretary, who shall keep records in this respect.

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