

# **Cement Corporation of India Ltd.**



## **Code of Conduct for Board of Directors and Sr. Management Personnel**

## **Code of Conduct for Directors and Senior Management Personnel**

Pursuant to the provisions of the Guidelines for Corporate Governance, a “Code of Conduct” that reflects its underlying core values: commitment to personal integrity, respect for the individual, transparency, fairness, accountability and pursuit of excellence has been prepared.

The Company currently has Conduct, Discipline & Appeal Rules for all employees (“the CDA Rules”), which govern the conduct of all employees of the Company including Whole-time Directors/Functional Directors but excluding Non-Executive Part-time Directors. The Code of Conduct for Board Members and Senior Management Personnel has now been framed specifically in compliance with the provisions of Guidelines for Corporate Governance issued by DPE. In respect of Whole-time Directors/Functional Directors and Senior Management Personnel this Code is to be read in conjunction with the CDA Rules.

Nothing contained in this Code shall invalidate, render ineffective or supersede the provisions of the CDA Rules. In case, any provision of this Code is contrary to the provisions of the CDA Rules, the same shall be referred to the Chairman & Managing Director for decision. Similarly, nothing herein contained shall invalidate or supersede other applicable policies, rules and procedures of the Company.

The purpose of this Code is to deter wrong doing and promote ethical conduct and transparent process in managing the affairs of the Company.

It shall come into force with effect from 1<sup>st</sup> day of January 2013.

### **DEFINITIONS & INTERPRETATION**

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

The term “**Board Members**” shall mean the Directors on the Board of Directors of the Company.

The term “**Whole-time Directors/Functional Directors**” shall mean the Board Members who are in whole-time employment of the Company.

The term “**Non-Whole-time Directors**” shall mean the Board Members who are Part-time Directors and not in whole time employment of the Company including part-time Govt. Directors(Govt. Nominee).

The term “**Senior Management Personnel**” shall mean personnel of the company who are members of its core management team. Normally this would comprise all members of the management one level below the Executive Directors, including all functional heads and Zonal Managers/Regional Managers/General Managers of Zones/Regions and Units .

The term “**Relative**” shall mean ‘relative’ as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956. (Refer Appendix-I)

The term “**the Company**” shall mean Cement Corporation of India Ltd.

In this Code words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

### **APPLICABILITY**

This Code shall be applicable to the following persons:

- a) All **Whole-time Directors/Functional Directors**
- b) All **Non- Whole time Directors** including Independent Directors as well Govt. Directors under the provisions of law.
- c) All Non-Board Members designated herein as “**Senior Management Personnel**” consisting of **Executive Directors, all functional heads, General Managers and Zonal Managers/Regional Managers/General Managers** of Zones/Regions and Units of the Company.

### **The Code of Conduct enjoins Upon all concerned:-**

- i) To maintain absolute integrity, devotion to duty and do nothing which is unbecoming of a Public Servant.
- ii) To conduct ourselves soberly and temperately, and show proper respect and civility to all concerned; endeavour to promote the interest of the Company and to promote and maintain its good reputation.
- iii) To build an enriching relationship with our entire stakeholder including customers, vendors, suppliers, bankers, Government authorities and fellow employees based on trust and treat each of these individuals with respect and dignity when conducting business.
- iv) Aims to avoid conflicts between the Company’s interests and our own individual interests.
- v) To familiarize and comply with legal and regulatory requirements and the Company’s policies and procedures.
- vi) To take care to provide accurate, timely, complete and reliable information in records submitted, safeguard CCI’s confidential information and respect the confidential information of other parties with whom we do business.

vii) To report promptly to the Management, any violation or breach of law or regulation, ethical principles or the Company policies that come to our attention.

**All members of the Board as well as Sr. Management personnel should follow the following guiding principles:-**

### **1. TO AVOID CONFLICTS OF INTEREST**

Board Members should make appropriate disclosure of interest wherever required. Officers should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relative for this purpose means “relative” as defined in Section 6 of the Companies Act, 1956 (See APPENDIX-I).

### **2. COMPLIANCE WITH ALL APPLICABLE LAWS, RULES & REGULATIONS**

Board Members and Senior Management Personnel must comply with all applicable laws, rules and regulations. Violations of applicable laws, rules and regulations may subject Officers to individual criminal or civil liability, as well as to disciplinary action by the Company.

### **3. DISCLOSURE**

Board Members shall make appropriate and timely disclosures as required under the provisions of Companies Act, 1956 and all other applicable laws, rules and regulations, as applicable from time to time.

### **4. NON-ACCEPTANCE OF BRIBES/GIFTS**

Board Members and Senior Management Personnel should not accept any improper payments for the performance of their legitimate duties.

Conducting business may involve occasional business-related exchanges of gifts of nominal value as per the provisions of CDA Rules of the Corporation/Govt. Financial Rules/Govt. guidelines, as amended from time to time. Board Members and Senior Management Personnel should adhere to these guidelines/Rules in this regard.

### **5. SAFETY, HEALTH & ENVIRONMENT RELATED ISSUES**

Protection of the Health & Safety of employees and others affected by our operations is our utmost priority. Particular attention should be paid to training of employees to increase safety awareness and adoption of safer working methods.

## **6. CRITICISM OF GOVERNMENT OR CCI**

No Board Member and Senior Management Personnel shall in any radio broadcast/ TV telecast or in any document published under his name or in the name of any other person or in any communication to the press, or in any public utterances, make any statement which has the effect of an adverse criticism of any policy or action of the Central Government or a State Government, or which is capable of embarrassing the relations between the Company and the public.

However the above shall not apply to statements or views which are of purely factual nature and are not considered to be of a confidential nature and are made or expressed by Board Members and Senior Management Personnel in his official capacity or in due performance of the duties assigned to him. It also does not apply to bonafide expression of views by Board Members and Senior Management Personnel as an office bearer of a recognized Union/ Association for the purpose of safeguarding the conditions of service of the employees or for securing improvement thereof.

## **7. EQUALITY OF TREATMENT**

CCI is committed to the principles of equal opportunity, equality of treatment and creating a dynamic climate where diversity is valued as a source of enrichment and opportunity.

Board Members and Senior Management Personnel are expected to take personal responsibility for upholding Company Standards by treating with dignity and respect all job applicants, fellow employees, customers and any other individuals associated with CCI.

## **8. BOOKS & RECORDS**

Accurate ,meaningful and timely information is vital for all our stakeholders. It is the responsibility of each of us to ensure that our books and records are accurate so that they reflect the true and fair view of CCI's business.

All applicable laws, rules and regulations, Accounting Standards and practices while preparing records should be followed and appropriate disclosures made as required.

## **9. DIVERSITY**

Highest standards should be followed to promote and effectively manage diversity within the Company to enhance our overall productivity, business success and employee loyalty. It should be ensured that harassing, discriminatory, or offensive behaviour based on differences of background, culture, beliefs or characteristics are not permitted or tolerated.

## **10. INFORMATION TECHNOLOGY & NETWORK SECURITY**

Computer systems, software and the network information are vital and must be used as intended. These must be used responsibly and only for legitimate purposes. All efforts must be made to protect the security of the systems. For instance, the network IDs and passwords should not be revealed to unauthorized users.

One should not engage in electronic communications that might be considered offensive, derogatory, defamatory, harassing, pornographic, obscene or otherwise vulgar. You should never transmit chain letters, advertisements or solicitations on CCI systems unless authorised.

## **11. UNAUTHORISED COMMUNICATION OF INFORMATION**

No Board Member and Senior Management Personnel shall, except in the ordinary course of his duties, give or cause to be given to any person any advice on matters relating to the activities of the Company or its subsidiaries.

No Board Member and Senior Management Personnel shall, except in the ordinary course of his duties, disclose or cause to be disclosed to any person any secret process, know-how, cost of production of any or all of the products of the Company or its subsidiaries or any information regarding purchases made by contracts entered into by the Company or any information regarding settlement of claims by the Company in or out of courts or any other information, knowledge or matters of trade or business secrets of the Company or its subsidiaries.

## **12. CANVASSING OF NON-OFFICIAL OR OTHER INFLUENCE**

No Board Member and Senior Management Personnel shall bring or attempt to bring any political or other influence to bear upon any superior authority to further his interest in respect of matters pertaining to his service.

## **13. TAKING PART IN POLITICS & ELECTIONS**

No Board Member and Senior Management Personnel shall canvass or otherwise interfere or use his influence in connection with, or take part in, an election to the House of Parliament, State legislature or Local Authority. Offering himself as a candidate for election to Local Authority on being permitted by the Company shall not amount to contravention.

## **14. IMPROPER USE OF COMPANY'S ASSETS & RESOURCES**

CCI's assets should be used only to achieve its business goals, and should be protected to preserve their value. Use of Company's assets for personal use is forbidden. All company assets must be returned to CCI on cessation of employment or should be decided in accordance with the rules framed/approved for the purpose.

## **15. ETHICS REPORTING & MONITORING SYSTEM**

The Code must be adhered to religiously to inculcate a rich and healthy work culture in CCI. A strict adherence to all its aspects is a must and this leads to the need for an Ethics Reporting and Monitoring System.

### **GENERAL**

#### **(i) Enforcement of Code of Conduct**

Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.

The Company Secretary shall oversee the compliance of this Code.

#### **(ii) Amendments of the Code**

The provisions of this Code can be amended / modified by the Board of Directors of the Company from time to time and all such amendments / modifications shall take effect from the date stated therein.

#### **(iii) Placement of the Code on Website**

This Code and any amendments thereto shall be posted on the website of the Company.

#### **(iv) Annual Compliance Reporting**

In terms of Clause 15 (i) of the Guidelines, all Board Members and Senior Management Personnel shall affirm compliance with this Code within 30 days of close of every financial year. A proforma of Annual Compliance Report is annexed to this Code as **Appendix-II**. The Annual Compliance Report shall be forwarded to the Company Secretary of the Company.

#### **(v) Consequences of Non-Compliance of This Code**

All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code as per due procedure.

Whole time Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.

The Company shall ensure confidentiality and protection to any person (a) who has, in good faith, reported a violation or a suspected violation of this Code or other Company policies or (b) who is assisting in any investigation or process with respect to such a violation.

In case of breach of this Code by the Board Members, the same shall be placed to the Board of Directors for necessary action.

Penalty for Board Members may include disciplinary action, removal from office and dismissal as well as other penalties, to the extent permitted by law and as considered appropriate under the circumstances. Penalty for Senior Management Personnel may include disciplinary action(s) as set out in the CDA Rules or such other penalties as may be decided by the Committee of Directors.

**(vi) Acknowledgement of Receipt of the Code**

All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code in the acknowledgement form annexed to this Code vide **Appendix-III** and forward the same to the Company Secretary.

Upon revision of this Code, the Board Members and Senior Management Personnel shall acknowledge and execute a fresh acknowledgement as to the amended / revised Code in the same **Appendix – III**. It shall be the duty of the Company Secretary to circulate this Code / revised Code to the Board Members including new Directors at the time of their appointment and Senior Management Personnel.

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**CODE OF CONDUCT FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

EXTRACT OF SECTION 6 OF THE COMPANIES ACT, 1956

**Meaning of “relative”**

A person shall be deemed to be a relative of another if, and only if,-

- (a) they are Members of a Hindu undivided family; or
- (b) they are husband and wife; or
- (c) the one is related to the other in the manner indicated in Schedule IA.

**SCHEDULE IA**

**LIST OF RELATIVE**

- 1. Father
- 2. Mother (including step-mother)
- 3. Son (including step-son)
- 4. Son's wife
- 5. Daughter (including step-daughter)
- 6. Father's father
- 7. Father's mother
- 8. Mother's mother
- 9. Mother's father
- 10. Son's son
- 11. Son's son's wife
- 12. Son's daughter
- 13. Son's daughter's husband
- 14. Daughter's husband
- 15. Daughter's son
- 16. Daughter's son's wife
- 17. Daughter's daughter
- 18. Daughter's daughter's husband
- 19. Brother (including step-brother)
- 20. Brother's wife
- 21. Sister (including step-sister)
- 22. Sister's husband

**APPENDIX-II**

**CODE OF CONDUCT  
FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

**ANNUAL COMPLIANCE REPORT**

I .....do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the **CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL** during the year ending .....

Signature :.....  
Name :.....  
Position :.....  
Date :.....  
Place :.....

**CODE OF CONDUCT  
FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

**ACKNOWLEDGEMENT FORM**

I ....., have received and read the Company’s “**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANGEMENT PERSONNEL**”. I understood the standards and policies contained in the Code. I agree to comply with this Code.

Signature :.....  
Name :.....  
Position :.....  
Date :.....  
Place :.....