

## **Code of Conduct for Board of Directors as per Clause 52 of SME Listing Agreement**

### **INTRODUCTION**

**Universal Autofoundry Limited** is committed to conduct business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good Corporate Governance Structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

This Code of Conduct (the “Code”) has been framed under the Clause 52(1)(D) of the Listing Agreement with the Stock Exchange and as amended from time to time by the prescribed authorities of India.

The Code shall come into effect from the date of its adoption by the Board of Directors at their duly convened and constituted meeting.

The principles prescribed in this Code are general in nature and lay down board standard of compliance and ethics.

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 Board and Senior Management Personnel by the Shareholders of the Company. The Board and Senior Management Personnel 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.

### **APPLICABILITY**

This Code shall be applicable to the following persons:

- Board of Directors of the Company
- Senior Management Personnel of Company, being functional Heads and also Consultants.

### **DEFINITIONS**

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

1. The term “**Board or Board Members**” shall mean the Directors on the Board of Directors and its committees of the company.
2. The term “**Senior Management Personnel / Officials**” shall mean personnel of the company who are members of its core management team and generally this would comprise all members of the management one level below Board of Directors the company.

3. The term “**Relatives**” shall mean ‘relative’ as defined under the Companies Act, 2013
4. The term “**Compliance Officers**” shall mean the company secretary or any other officer designated by the Board of Directors of the company for the purpose of this code.
5. The term “**The Company**” shall mean Universal Autofoundry Limited.

## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT ARE:-**

### **GUIDELINES FOR CONDUCT**

Each director shall use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner such director reasonably believes to be not opposed to the best interests of the Company. A director should seek to also:-

- i. Make reasonable efforts and endeavour to attend Board and committee meetings;
- ii. Dedicate time and attention to the Company;
- iii. Be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions of the Board; and
- iv. Seek to comply with all applicable laws, regulations, confidentiality obligations and corporate policies of the Company.
- v. The Directors and Senior Officials should be scrupulous in avoiding “conflicts of interest” with the Company. In case there is likely to be conflicts of interest, he/she should make full disclosure of facts and circumstances whereof to the Board of Directors or any committee/officers nominated for the purpose by the Board and a prior approval should be obtained.
- vi. Shall not, in his official capacity, enter into business with (a) a relative or (b) a private limited company in which he or his relative is a member or a director (c) a public limited company in which he or his relative holds 2% or more paid up share capital and (d) with a firm in which the relative is a partner, except with the prior approval of the Managing Director of the Company unless otherwise permitted by law;
- vii. Shall not commit any offence involving moral turpitude.
- viii. Shall not disclose any Price Sensitive Information/Unpublished Price Sensitive information that may affect performance of the Company.
- ix. Observe and guide the Company in maintaining highest degree of Corporate Governance

## **BEHAVIORAL CODE:**

### **UNIVERSAL AUTOFOUNDRY LIMITED**

a. ETHICAL CONDUCT

The Management shall observe highest standards of personal and professional integrity, honesty, transparency and ethical conduct in all their activities, professional, personal and social.

b. INTEGRITY

Personal integrity is of supreme importance. Any act, which puts personal interest ahead of the organizational interest, causing financial or reputation loss to the Company, would mean violation of integrity. The Management shall ensure, at all times, the integrity of data or information furnished by him to the Company.

c. EQUAL OPPORTUNITIES

The Management shall provide equal opportunities to all its employees for growth and promotion without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Recruitment will be done on the basis of merit alone. The Management shall treat all its employees with dignity.

d. SHAREHOLDERS

The Management shall be committed to enhance shareholders value and shall ensure compliance with all the laws, rules, regulations and enactments that govern shareholders' right.

e. GIFTS AND DONATIONS

In dealing with outside business associates, the Management shall not receive any payment, remuneration, gifts, favours or any benefits which are intended or can be perceived as being given to gain favour for dealing with the Company. The Management may accept nominal gifts such as sweetmeats, diaries, small mementoes or gifts given at functions and visits festivities, provided the same is disclosed to the management immediately..

f. GOVERNMENT AGENCIES

The Company and its officers / employees shall not offer or give any Company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favourable performance of official duties.

g. RESPONSIBLE COMMUNICATION

It is expected that the Management will engage in responsible communication. Criticism about a person or a section of the organisation is shared only with the people concerned, with a view to resolving the issue and not publicly.

h. SOCIAL BEHAVIOUR

The Management is expected to conduct itself in a manner befitting the Company's image. Lack of concern in this regard can cause unpleasantness and tarnish the image of the Company.

**i. USE OF ENTITLEMENTS**

All entitlements permitted under UNIVERSAL AUTOFOUNDRY LIMITED policy are expected to be used with a sense of responsibility and not as a matter of right. The higher the entitlements, the higher the responsibility.

**j. STRATEGIC PLANNING**

The Management shall:

- a. Give benefit of its experience and expertise to the Company and provide assistance in strategic planning and execution of decisions related thereto.
- b. Supervise the management of the business including setting financial policy and its implementation.
- c. Make use of every reasonable opportunity to use its knowledge, skill, and professional competence in process of decision-making and discharge the duties.

**k. PLACEMENT OF THE CODE ON WEBSITE**

Pursuant to Clause 52 of the SME Listing Agreement, this Code and any amendment thereto shall be posted on the website of the Company.

**CONFLICT OF INTEREST**

The Management should avoid scrupulously areas of conflict of interest with the company. Wherever the conflict of interest does arise, the Management commits to make fullest disclosure of all facts and circumstances to the Board of Directors or a committee thereof and maintain highest standard of transparent behaviour obtain requisite written approval for the purpose. A conflict of interest, actual or potential, may arise where, directly or indirectly when,

- a) The Management engages in a business, relationship or activity with anyone who is party to a transaction with the Company;
- b) the Management is in a position to derive a personal benefit or a benefit to any of his/her relatives or friends by making or influencing decisions relating to any transaction; and
- c) An independent judgement of the Company's or group's best interest cannot be exercised or may not be perceived as exercised.

The Management should endeavour to avoid having its private interests interfere with

(i) The interests of the Company or

(ii) Its ability to perform its duties and responsibilities objectively and effectively.

The Management should avoid receiving, or permitting members of their immediate family to receive, improper personal benefits from the Company, including loans from or guarantees of obligations. The Management should make a full disclosure to the entire Board of any transaction or relationship that such member of the Management reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions or relationships.

### **FAIR DEALING**

The Management shall deal fairly with its customers, suppliers, competitors and business associates and employees. The Management shall not take unfair advantage from any customers / suppliers etc. through manipulation, concealment, undue influence, abuse of proprietary / trade secret information and misrepresentation of facts and any other. The Management should avoid:

- a) Appropriating corporate business opportunities for themselves that are discovered through the use of Company's property or information or their position;
- b) Using Company's property or information, or their position, for personal gain; and
- c) Competing with the Company.

The Management personnel who learn of such a corporate business opportunity and who wishes to avail of it should disclose such opportunity to the Company's Board. If the Board determines that they does not have an actual or expected interest in such opportunity, then, and only then, may the Management avail of it, provided that the Management has not wrongfully utilized Company's resources in order to acquire such opportunity.

### **CONFIDENTIALITY**

The Management shall maintain total and complete confidentiality as regards information of the Company's business its customers, suppliers business associates etc. . The Management however can disclose the information if prior permission is obtained or is legally mandated. All the information which is not in the public domain and which can be useful to competitors and / or harmful to the Company or its associates will be treated as confidential information. Sensitive and strategic information, to which the Management has or gets an access, must be shared with discretion and under proper authorisation so that it is not used against the interests of the organisation. Also, such information must not be used for one's personal advantage.

Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of any of the Management. It is also expected that the Management will not carry any confidential data outside the premises in soft or hard copies and will not delete unless it is absolutely necessary for conduct of the business. If carried, they would take due care to protect it from any unauthorised use. The Management shall also avoid discussion on confidential matters in public and open places such as elevators, airport, etc. Even after leaving, the Management is not expected to join companies where it can use certain specific information gathered about the Company's products, processes and technology, to a direct disadvantage of the Company's business, for a period of 1 year from leaving.

### **LEGAL COMPLIANCE**

The Management shall comply with all the applicable laws, rules, regulations and enactments both in letter and in spirit, in all the territories in which he/ she operates. Any inadvertent non-compliance, if detected subsequently, should be rectified/ reported to the Board and concerned authorities. The Management shall conduct and perform their duties and responsibilities in accordance with the provisions of the listing agreement of stock exchanges where the securities of the Company are listed.

### **NATIONAL INTEREST**

The Company shall continue to be committed in all its actions to benefit the economic development of the nations and shall not engage in any activity that would adversely affect such objectives.

### **IMPROPER PAYMENTS**

Company conducts business with high integrity and shall abide by the rules & regulations of the country. \Employees or agents acting on behalf of the Company will not offer customers, potential customers, governments, agencies of governments, or any representatives of such entities, any rewards or benefits in violation of either applicable laws or reasonable and generally accepted business practices. This prohibition also applies in areas where such activity may not violate local law.

### **LABOUR**

No form of forced, compulsory or child labour is tolerated in the Company. Suppliers are also expected to comply with applicable local child labour laws and employ only workers who meet the applicable minimum legal age requirement for their location. In the absence of local law, suppliers shall not employ children under the age of 18.

### **WAGES**

Company pays employees a competitive wage as per Minimum wage act.

### **ENVIRONMENT**

Company respects the environment & have designed processes in such a way that energy and raw materials are used efficiently, and waste and residual products are minimized. Company conducts its operations in compliance with applicable laws and regulations.

### **HEALTH AND SAFETY**

Company is committed to the safety and health of its employees and conducts its operations in compliance with applicable laws and regulations and provides a safe working environment that supports accident prevention and minimizes exposure to health risks. Suppliers are also expected to comply with all applicable safety and health laws and regulations.

### **FINANCIAL REPORTING AND RECORDS**

The Company shall continue to prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standard which represent the generally accepted guidance, principles, standards, law and regulations of the Country. Internal

accounting and audit procedures shall fairly and accurately reflect all of the company business transactions and disposition of assets.

### **DISCLOSURES**

The Company shall continue to abide by the Corporate Disclosure Practices as specified by the appropriate external regulatory authorities.

The Company shall make full, fair and accurate disclosures in the periodic reports required to be filed with the government and regulatory agencies. The senior management Personnel shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board, Auditors and other Statutory Agencies, as may be required by applicable laws, rules and regulations.

Board Members and Senior Officials shall make appropriate and timely disclosures as required under the Provision of the Companies Act, and Amendment thereon, Listing Agreement and all other Applicable Laws, Rules & regulations as applicable from time to time.

### **CONSEQUENCES OF VIOLATION OF CODE OF CONDUCT**

The Management shall report any violation or alleged violation of laws, rules, regulations, enactments etc. to Board of Directors or a committee thereof. The Management shall be committed to provide all the known particulars relating to the violation. The Management charged with a violation of this Code should not participate in a vote of a Committee or the Board concerning the alleged violation, but may be present at a meeting convened for that purpose. Violation of this Code of Conduct will result in disciplinary action including termination of service, suspension, wage freeze etc.. The Board of Directors or a committee thereof shall determine appropriate action in response to violation of the Code of Conduct. Any waiver of this Code must be approved by the Board and shall be publicly disclosed if required by any applicable law or regulation.

### **GENERAL**

The Company reserves to itself the right to alter/delete/add to these codes at any time without prior individual notice and such alterations/deletion/addition shall be binding.

For and on behalf of Universal Autofoundry Limited

Sd/-  
Kishan Lal Gupta  
Chairman  
DIN:-00295685

Sd/-  
Vimal Chand Jain  
Managing Director  
DIN:-00295667