

PEACOCK INDUSTRIES LIMITED

Code of Conduct Board of Directors & Senior Management Personnel

1. Introduction

This Code of Conduct (hereinafter referred to as “the Code”) has been framed and adopted by Peacock Industries Limited (hereinafter known as “the Company”) in Compliance with the provisions of Clause 49 of the Listing Agreement relating to ‘Corporate Governance’, as amended from time to time. It is mandatory that a separate legal and ethical standard of Code of conduct is laid and be made applicable to all Board Members and all Senior Management Personnel of the Company. Hence to meet this requirement, this Code of Conduct has been formulated by the Board. This Code broadly lays down the general principles to be followed by the Board Members and the Senior Management Personnel as a guide for making ethical decisions entered into by the Company with the Stock Exchanges.

- 1.1 This Code of Conduct shall be called as "The Code of Conduct for Board Members and Senior Management Personnel of PEACOCK INDUSTRIES LIMITED" (hereinafter referred to as the “PIL” or “the Company” and this Code of Conduct as “this Code”).
- 1.2 This Code envisages that the Board of Directors of the Company and Senior Management Personnel should act within the framework of and in compliance with the applicable laws.
- 1.3 This Code is in alignment with Company's Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- 1.4 The purpose of this Code is to enhance integrity, ethics & transparency in governance of the Company, and thereby reinforce the trust and confidence reposed in the Management of the Company by the shareholders and other stakeholders. The Board Members and Senior Management Personnel are expected to familiarize themselves with this Code and 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.
- 1.5 This Code for Board Members and Senior Management Personnel has now been framed specifically in compliance with the provisions of the revised Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed for trading and the provisions of the Companies Act, 2013.
- 1.6 This code shall come into force with effect from 31.12.2005 and is amended on April 1st,2015.

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2 DEFINITIONS AND INTERPRETATION

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

- 2.1 The term “Company” herein refers to “Peacock Industries Limited”.
- 2.2 The term "Board / Board of Directors" shall mean the collective body of Directors of the Company.
- 2.3 The term "Board Members" shall mean the Members on the Board of the Company.
- 2.4 The term "Senior Management Personnel" shall mean employees of the Company who are members of its core management team comprise all Executive Directors, Vice President, General Managers and Head of Department/Division excluding Board of Directors.
- 2.5 The term “Whole-time Directors shall mean the Board Members who are in whole-time employment of the Company.
- 2.6 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.
- 2.7 The term “Independent Director” shall mean an Independent Director as defined in section 2(47) and Section 149(6) and Clause 49 (II)(B) of the listing agreement with the Stock Exchanges where the shares of the Company are listed for trading, as revised from time to time.
- 2.8 The term “Relative” shall mean ‘relative’ as defined in Section 2 (77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014. (*Refer Annexure -I*).
- 2.9 The term “Conflict of Interest” means where the interests or benefits of one person or entity interferes with the interests or benefits of the company.
- 2.10 The Term “Public Spokesperson” shall mean the Officer of the Company nominated as such by the Company under the Code of Corporate Disclosure Practices for Prevention of Insider Trading.

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3 Applicability of the Code of Conduct

3.1 This Code shall be applicable to the following persons:

- a) All Whole-time Directors including the Chairperson and Managing Director of the Company.
- b) All Non Whole-time Directors including Independent Directors unless specifically exempted from provisions of this Code.
- c) All Senior Management Personnel.

3.2 The Whole-time Directors including the Chairperson and Managing Director of the Company and Senior Management Personnel should continue to comply with other applicable and/or to be made applicable policies, rules and procedures of the Company.

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4 Code of Conduct

The Board of Directors and Senior Management Personnel of the Peacock Industries Limited shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct keeping in view the best interests of the Company:

- 4.1 Shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
- 4.2 Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his opinion is likely to arise.
- 4.3 Shall maintain highest level of professional conduct that would enhance the image, goodwill and trustworthiness of the business and demonstrate the highest standards of integrity, business ethics, and corporate governance.
- 4.4 perform their roles with competence, diligence, in good faith and in the best interests of the Company and maintain confidentiality of information entrusted by the Company or acquired during the performance of their duties and shall not use it for personal gain or advantage.
- 4.5 Share learning's with Company's management based on their experience and judgment in their areas of specialization keeping the best interests of the Company and its stakeholders in mind..
- 4.6 Shall not enter into any contract or arrangement without obtaining the approval of the Audit Committee and/ or the Board and wherever required, approval by special resolution in the general meeting for related party transactions as mentioned in Appendix-II must be obtained.
- 4.7 Ensure compliance of the prescribed safety & environment related norms and other applicable codes, laws, rules, regulations and statutes, which if not complied with, may or otherwise, disqualify him/ her from his/ her association with the Company.
- 4.8 Shall not accept or offer, directly or indirectly, any illegal payments etc., that falls under the purview of misconduct/unethical means of doing business. Occurrence of such events may be immediately reported to the Board.
- 4.9 Protect Company's assets (including properties, information, intellectual properties) from loss, damage, misuse/theft or for their own personal gain unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.
- 4.10 Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated

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spokespersons or persons authorized otherwise.

- 4.11 Should disclose transactions related to personal and/financial in any business dealings which falls under the Company's Policy of Related Party Transactions.(Refer Annexure – 2)
- 4.12 Give careful and independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the Management. They should call for additional information, wherever necessary, for making such judgments.
- 4.13 Shall not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.
- 4.14 Not engage in any business, relationship or any dealing related with Contractor or Supplier that creates conflict with the interest of the Company / PIL Group transacting business with parties on professional, impartial and competitive basis.
- 4.15 Follow all the guidelines put forth in the Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 4.16 Shall not disclose any confidential / privileged information of the Company and should direct any media queries or approaches to the appropriate spokesperson within the Company.
- 4.17 Shall immediately bring to the notice of the Board about any unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 4.18 Shall not commit any offence involving moral turpitude.
- 4.19 Shall not use IT system of the Company for purposes that may be regarded as derogatory, defamatory or obscene or otherwise considered irresponsible and/or compromise the protection and security of IT systems.
- 4.20 Shall be accountable to the stakeholders i.e. shareholders, debtors, creditors, contractors, suppliers, customers, Government etc. in discharge of the duties of the Company.
- 4.21 To promote alertness & awareness for safety and the protection of human life/property and environment.

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5 WAIVER OF CODE OF CONDUCT AND ETHICS

Any waiver of this Code may be permitted only under a due authorization of the Board of Directors of the company in writing and must appropriately be disclosed to the shareholders of the company, as a disclosure in the Annual Report of the company. Any amendments to the Code shall also be approved by the Board of Directors of the company and communicated to the concerned.

6 HEALTH, SAFETY AND ENVIRONMENT

The Directors and Senior Management Personnel of the Company shall provide safe and healthy working environment, prevent wasteful use of natural resources and shall ensure minimum impact on the ecological environment of the use and disposal of any material.

7 CONFIDENTIAL INFORMATION

Employees have access to a variety of confidential information while employed at the Company. An employee is required to keep confidential or not to disclose or use the confidential information belonging to the Company or belonging to a third party which has been received by the Company pursuant to a confidentiality agreement or received by the Company in circumstances where it is clear or evident that the information is proprietary and confidential.

Furthermore, employees shall comply with the terms of all confidentiality or other agreements relating to information received from third parties. The foregoing shall not apply where the disclosure is made with the written consent of the Company or where law requires the disclosure. Such confidential information must be given up to the Company when the employee leaves the Company's employment.

8 CONFLICT OF INTEREST

The Board Members and Senior Management Personnel of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the competent authority relating to all material financial and commercial transactions, if any, where they or any of their relatives have personal interest that may have a potential conflict with the interest of the company at large.

The Directors and Senior Management of the Company shall not be present at the meeting where discussion on the resolution relating to contract or arrangement with a related party is being taken.

Competent authority, in case of Board Members shall be Board of Directors and Director (HR) in case of Senior Management Personnel.

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9 COMPLIANCE OF LAW

The Board Members and Senior Management Personnel shall comply with all laws, rules and regulations as applicable including those relating to the business of the Company.

10 OTHER DIRECTORSHIPS

The Directors should disclose their engagements, either as Director or in any other capacity to the Company in accordance with the provisions of the Companies Act.

The Board Members who are Whole-time Directors shall not accept any appointment or post, whether advisory or administrative, in any company or firm, whether Indian or Foreign, having competitive nature of business within two years from the date of cessation of Director ship / service of the Company unless approved by the Government.

11 PREVENTION OF INSIDER TRADING

The Board Members and Senior Management Personnel shall comply with the Code of Internal Procedures and Conduct for Prevention of Insider Trading, in dealing with securities of the Company.

12 RELATED PARTY DISCLOSURES

The Board Members shall make disclosure of related party transactions to the Board of Directors and the Senior Management Personnel shall make disclosure of the related party transactions to the Chairman & Managing Director as per the provisions of the Companies Act, 2013 and rules framed thereunder.

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13 CONFIDENTIALITY OF INFORMATION

Subject to the Code of Corporate Disclosure Practices as may be prevalent in the Company from time to time any information concerning the Company's business, its customers, suppliers, etc. to which the Board Members and Senior Management Personnel have access or which are in their possession, must be considered confidential and held in confidence.

No Board Member and Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized. The Board Members and Senior Management Personnel shall also be required to maintain confidentiality of information for a period of 6 months after separation from the Company. Provided that Board Members and Senior Management Personnel shall in consultation/under intimation to the Public Spokesperson of the Company is free to disclose such information *i.e.* :

- (a) part of the public domain at the time of disclosure; or
- (b) authorized or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Ministry of Power.

14 AMENDMENTS TO 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 amended date stated therein.

15 CLARIFICATIONS REGARDING THE CODE

Any member of the Board or Senior Management personnel requiring any clarification regarding this Code may contact Manager (HR)/ Company Secretary/ any officer specifically designated by the Board of Directors.

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16 ANNUAL COMPLIANCE REPORTING

- 16.1 In terms of Clause 49 of the Listing Agreement, all Board Members shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the company shall contain a declaration to this effect signed by the Managing Director.
- 16.2 A Performa of Annual Compliance Report is at Annexure -3. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with PIL.
- 16.3 The Chairman & Managing Director of the Company and the Chief Financial Officer (Whole Time Finance Director) or any other person heading the finance function shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code.

17 PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendment thereto shall be hosted on the website of the Company.

18 ENFORCEMENT OF CODE OF CONDUCT

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

- a) Company Secretary shall be the Compliance Officer for the purpose of this Code.
- b) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.
- c) Compliance Officer shall report breach of this Code, if any, which comes to his notice to the Board of Directors of the Company.

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

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19 CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE

In case of breach of this Code by the Non Whole-time Directors, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

In case of breach of this Code by the Whole-time Directors, the same can be dealt with in accordance with the Rules of the Company in addition to the actions that maybe taken by the Board of Directors.

20 ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as Annexure - 4 and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.

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ANNEXURE – 1

EXTRACT OF SECTION 2 (77) OF THE COMPANIES ACT, 2013

Definition of “relative”, with reference to any person, means anyone who is related to another, if:

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed*;

*LIST OF RELATIVES AS PER RULE 4 OF THE COMPANIES (SPECIFICATION OF DEFINITIONS DETAILS) RULES, 2014

- (i) Father (including step-father)
- (ii) Mother (including step-mother)
- (iii) Son (including step-son)
- (iv) Son’s Wife
- (v) Daughter
- (vi) Daughter’s Husband
- (vii) Brother (including step-brother)
- (viii) Sister (including step-sister)

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ANNEXURE – 2

Definition of related party as per section 2 (76) of the Companies Act, 2013 read with Rule 3 of the Companies (Specifications of Definitions Details) Rules, 2014:

“Related Party”, with reference to a company means—

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any company which is—
 - a) holding, subsidiary or an associate company of such company, or
 - b) a subsidiary of a holding company to which it is also a subsidiary;
- (ix) such other person as may be prescribed;

As per Rule 3 of the Companies (Specifications of Definitions Details) Rules, 2014, a director or key managerial personnel of the holding company or his relative with reference to a company shall be deemed to be related party.

Related Party Transactions as per the revised Clause 49 (VII) of the Listing Agreement

- A. A related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.
"Explanation: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."
- B. For the purpose of Clause 49 (VII), an entity shall be considered as related to the company if:
 - (i) such entity is a related party under Section 2(76) of the Companies Act, 2013;
 - or
 - (ii) such entity is a related party under the applicable accounting standards."

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- C. The company shall formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

Provided that a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Extract of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

Except with the consent of Board, Board resolutions passed & conditions as prescribed- No Co. shall enter into any contract with Related Parties with respect to:

- a) Sale, Purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;
- c) Leasing of property of any kind
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) Underwriting the subscription of any securities or derivatives thereof of the company

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a special resolution:

Provided further that no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party:

Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

Explanation.— In this sub-section,—

- a) the expression “office or place of profit” means any office or place—
 - (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

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- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- b) the expression “arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

For the purposes of first proviso to sub-section (1) of section 188, except with the prior approval of the company by a special resolution-

- (i) a company having a paid-up share capital of ten crore rupees or more shall not enter into a contract or arrangement with any related party; or
- (ii) a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188 with criteria, as mentioned below -
 - a) sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding twenty five percent. of the annual turnover as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
 - b) selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents exceeding ten percent. of net worth as mentioned in clause (b) and clause respectively of sub-section (1) of section 188;
 - c) leasing of property of any kind exceeding ten percent. of the net worth or exceeding ten percent. of turnover as mentioned in clause (c) of sub-section (1) of section 188;
- (iii) availing or rendering of any services directly or through appointment of agents exceeding ten percent. of the net worth as mentioned in clause (d) and clause (e) of sub-section (1) of section 188;
- (iv) appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188; or
- (v) remuneration for underwriting the subscription of any securities or derivatives thereof of the company exceeding one percent. of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation.- (1) The Turnover or Net Worth referred in the above sub-rules shall be on the basis of the Audited Financial Statement of the preceding Financial year.



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ANNEXURE - 3

ANNUAL COMPLIANCE REPORT*

Ido hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the "PIL CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31st March _____.

Signature :.....

Name :.....

Designation :.....

Date :.....

Place :.....

* To be submitted by 30th April each year.



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ANNEXURE - 4

PIL CODE OF CONDUCT FOR BOARD MEMBERS & SENIOR MANAGEMENT PERSONNEL

ACKNOWLEDGEMENT FORM

I, have received and read the Company's "PIL CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :.....

Name :.....

Designation :.....

Date :.....

Place :.....