

CODE OF BUSINESS CONDUCT AND ETHICS
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT

1.0 Introduction

- 1.1 This Code of Conduct ("this Code") shall be called "The Code of Business Conduct & Ethics for Board Members and Senior Management" of PFC Consulting Limited (hereinafter referred to as "the Company/PFCCL").
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company. The code is in alignment with Company's vision and values to achieve the Mission & Objectives of the Company.
- 1.3 This Code for Board Members and Senior Management has been framed specially in compliance with the Guidelines of DPE.
- 1.4 It shall come into force with immediate effect.

2.0 Definitions and Interpretations:

- 2.1 The term "Board Members" shall mean Directors on the Board of Directors of the Company.
- 2.2 The term "Whole-time Directors" or "Functional Directors" shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the company.
- 2.3 The term "Part-time Directors" shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company and include Independent Directors and Government Nominee Directors.
- 2.4 The term "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013. (Refer Appendix-I)
- 2.5 The term "Senior Management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including CEO and EVPs heading any Unit/Department in the Company.
- 2.6 The term "the Company" shall mean PFC Consulting Limited.

Note: In this Code, words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3.0 Applicability

3.1 This code shall be applicable to the following personnel:

- a) All Whole-time Directors including the Chairman & Managing Director of the Company.
- b) All Part-time Directors
- c) Senior Management of the Company.

3.2 The Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

4.0 Guiding Principles

Board members and Senior Management shall act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- i. Act in the best interests of, and fulfill their fiduciary obligations to the Company;
- ii. Act honestly, fairly, ethically and with integrity;
- iii. Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position;
- iv. Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates.
- v. Comply with communication and other policies of the Company;
- vi. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- vii. Not to use the Company's property or position for personal gain;
- viii. Not to use any information or opportunity received by them in their capacity as Directors/Senior Management in a manner that would be detrimental to the Company's interests;
- ix. Act in a manner to enhance and maintain the reputation of the Company;
- x. Disclose any personal interest that they may have regarding any matter that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the concerned Director has or may have such an interest;
- xi. Abstain from discussion, voting or otherwise influencing a decision on any matter that may come before the board in which they may have a conflict or potential conflict of interest;
- xii. Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service, except when authorized or legally required to disclose such information;
- xiii. Not to use confidential information acquired in the course of their service for their personal advantage or for the advantage of any other entity;
- xiv. Help create and maintain a culture of high ethical standards and commitment to

- compliance;
- xv. Keep the Board informed in an appropriate and timely manner about any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company.
- xvi. Treat the other members of the Board/Senior Management and other persons connected with the Company with respect, dignity, fairness and courtesy.

5.0 Contents of Code

- Part I - General Moral Imperatives
- Part II - Specific Professional Responsibilities
- Part III - Specific Additional Provisions for Board Members and Senior Management

This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART - I

5.0 General Moral Imperatives

5.1 Contribute to society and human well being

- 5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products/services of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

- 5.1.2 Therefore, all Board Members and Senior Management who are accountable for the design, development, manufacture and promotion of company's products/services, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.2 Be honest and trustworthy & practice integrity

- 5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.
- 5.2.2 All Board Members and Senior Management are expected to act in accordance with

highest standards of personal and professional integrity, honesty, ethical conduct and fulfill their fiduciary obligations towards the Company.

5.3 Be fair and take action not to discriminate

5.3.1 The values of equality, tolerance, respect for others, and the principles of equity & justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4 Honour confidentiality

5.4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

5.4.2 All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential information about business and affairs of the Company.

5.5 Pledge & Practice

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour.

PART II

6.0 Specific Professional Responsibilities

6.1 Live the Vision, Mission and Values of PFC Consulting Limited – each day

Live the Vision, Mission and Values of PFC Consulting Limited each day which are as under:

Vision

To become the leading advisor and partner of choice in the Power and Infrastructure sectors.

Mission

To achieve the highest standards in end to end consulting solutions, consistent with long term interests of power and infrastructure sectors, by harnessing intellectual

capabilities and nurturing the best minds within the organization.

Values

Zeal to excel and zest for change

Integrity and fairness in all matters

Respect for dignity and potential of individuals

Strict adherence to commitments

Ensure speed of response

Foster learning, creativity and team-work

Loyalty and pride in PFC Consulting Limited

6.2 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work: -

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

6.3 Acquire and maintain professional competence:-

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

6.4 Compliance with Laws:-

The Board Members and Senior Management of the Company shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.

6.5 Accept and provide appropriate professional review:-

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

6.6 Manage personnel and resources to enhance the quality of working life:-

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

6.7 Be upright and avoid any inducements:-

The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc.

6.8 Observe Corporate Discipline:-

The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.9 Conduct in a manner that reflects credit to the Company:-

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

6.10 Be accountable to Company's stakeholders:-

All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.11 Identify, mitigate and manage business risks:-

It is everybody's responsibility to follow the Risk Management Framework, if any of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

6.12 Protect properties of the Company:-

The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

6.13 Rationale Decision:-

The Board Members and Senior Management should consider matters before them and arrive at a rationale decision after duly taking into account:

- i. any possible material personal interest they may have in the subject matter;
- ii. the amount of information submitted to them is sufficient to consider the subject matter and if necessary call for additional information.

6.14 Corporate Opportunities:

The objective of the Board Members and Senior Management must be to serve the interests of the Company as well as its stakeholders. They are not expected to use the information acquired or gained during the conduct of the business of the Company for their personal advantage so as to cause detriment to the Company and shall not compete with the business of the Company directly or indirectly during the tenure as Director or member of Senior Management Team of the Company. Such information received by them in the course of the exercise of respective duties remains the property of the Company.

PART - III

7.0 Specific Additional Provisions for Board Members and Senior Management

7.1 As Board Members and Senior Management:

They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

7.2.1 Undertake to inform the Chairman/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/ circumstances / conditions that may interfere with their ability to perform Board/Board Committee duties or may impact the judgment of the Board as to whether they meet the independence requirements of Companies Act, 2013 and the Guidelines of DPE.

7.2.2 Disclose any personal interest that they may have regarding any matter that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the concerned Director has or may have such an interest; Abstain from discussion, voting or otherwise influencing a decision on any matter that may come before the board in which they may have a conflict or potential conflict of interest and undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

Related Party Transactions: The Board members and Senior Management Personnel shall make disclosure of related party transactions to the Board of Directors as covered under the Companies Act 2013, rules made thereunder and Accounting Standard 18 (AS-18) (Appendix II) issued by the Institute of Chartered Accountants of India (ICAI) and/ or any modification or recodification thereof.

Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.

Consultancy/Business/Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.

Use of Official position for personal gains: Should not use their official position for personal gains.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code.

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the organization

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management personnel does not follow this Code, the matter would be reviewed by the Board and its decision shall be final.

Directors/ officers must cooperate in any internal or external investigation of possible violations.

Further, the Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, 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.

7.4 Miscellaneous Points

7.4.1 Amendment/Continual updation of Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board. 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 prospectively from the date stated therein.

7.4.2 Where to seek clarifications

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact Company Secretary/ any officer specifically designated by the Board of Directors.

7.4.3 Placement of the Code on Website

Pursuant to the Guidelines of DPE, this Code and any amendments thereto shall be posted on the website of the company.

7.4.4 Annual Compliance Reporting

All Board members and Senior Management Personnel 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 Chairman. A Performa of Annual Compliance Report is at Appendix-III. The Annual Compliance Report shall be forwarded to the Company Secretary. If any board member or Senior Management Personnel leaves the Company at any time during a financial year, he shall send a communication to the Company Secretary affirming compliance of the code till date of his association with PFC Consulting Limited.

7.4.5 Acknowledgement of receipt of this Code

All Board Members and Senior Management personnel shall acknowledge receipt of this code or any modification(s) thereto, in the acknowledgement form as at Appendix-IV 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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Definition of Relative

Extracts from the Companies Act, 2013

Section 2 (77) "relative", with reference to any person, means any one who is related to another, if :-

- (a) They are members of a Hindu Undivided Family;
- (b) They are husband and wife; or
- (c) One person is related to the other in such manner as may be prescribed;

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

1. Father (including step-father).
2. Mother (including step-mother).
3. Son (including step-son).
4. Son's wife.
5. Daughter.
6. Daughter's husband.
7. Brother (including step-brother).
8. Sister (including step-sister).

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The Board Members/Senior Management Personnel shall disclose the following, in respect of all transactions with related parties, as covered under the Companies Act 2013, rules made thereunder and in AS-18 issued by ICAI:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion ;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature:

Name:

Designation:

Date:

Place:

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Board Members:

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods, materials, services or property;
- such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- underwriting the subscription of any securities or derivatives thereof, of the company.

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AFFIRMATION

(By Board Members/ Senior Management of the Company on Annual basis by 30th April of every year)

I,.....(name),.....(designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March

Signature

Name

Designation

Employment Number

Telephone No.

Place:

Date:

PFC CONSULTING LIMITED

**Code of Business Conduct and Ethics
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**ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT
AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management of PFC Consulting Limited. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics for Board Members and Senior Management.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult Company Secretary/any person appointed by the Board of the Company knowing that my questions or reports will be maintained in confidence.

Signature

Name

Designation

Employment Number

Telephone No.

Place:

Date:

