

# **CHD DEVELOPERS LIMITED**

## **CODE OF CONDUCT AND ETHICS FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

### **1. Vision & Applicability**

**CHD Developers** Code of Conduct is in alignment with its own set values and commitments. This code is designed to provide each member of the Board and each & every employee with guidelines for appropriate professional conduct. It is intended not as a statement of new beliefs or some form of codification of new rules of conduct, but as a reaffirmation of enduring values and practices being followed ever since CHD was brought alive.

The central premise of this code is CHD reputation for affordable housing & quality management service which is the heart and soul of our enterprise. Put another way, it is an essential prerequisite for success in the real estate business that our clients believe in our visions and projects. If we are not committed to them on the above mentioned aspects -- or even if they, for any valid reason, believe that we are not -- then CHD cannot prosper.

The clear implication of these beliefs is that the responsibility for safeguarding and growing a company that lives up to this code lies within each and every one of us. Every CHD employee holds a position of trust. Acceptance of a position at any level or in any part of CHD includes acceptance of individual responsibility to uphold CHD policies governing legal and ethical business practices. It also includes acceptance of individual responsibility for following all legal requirements and ethical business practices, as well as the responsibility to stress proper ethical behavior among colleagues and subordinates.

### **2. National Interest**

CHD is committed in all its actions to the benefit of the economic developmental work making INDIA a developed nation. The company shall not undertake any project or activity to the detriment of national interest or those that shall have an adverse impact on the social & cultural life.

The Company shall respect and abide by all applicable laws & regulations; it shall comply with the economic policies, objectives and priorities of our developing nation and shall strive to make a positive contribution not just in national but at regional levels too.

### **3. Shareholders**

The company shall be committed to enhancing shareholders wealth & value. The Board of CHD Developers commits itself to abide by all regulations and laws that govern shareholders rights. Further the Board also commits in keeping its family of shareholders thoroughly informed about all relevant aspects of the company's business, and discloses such information in accordance with relevant regulations and agreements.

#### **4. Equal opportunities employer**

The CHD Company shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, sex, religion, etc. As a good corporate citizen, CHD Ltd is committed to a gender friendly workplace. This is in order to enhance equal opportunities for both men & women.

Our Human resource policies shall always promote diversity and equality in the workplace promoting equal opportunities to all its employees. Among our goals are to make benefits and services available to our employees to promote their well-being, to communicate effectively with them, to ensure equal employment treatment, to assist employees in realizing their potential and maximizing their productivity, and to fairly evaluate and recognize performance.

Further our human resource policies shall be administered in a manner consistent with applicable laws and other provisions of this Code, respect for the right to privacy and the right to be heard, and that in all matters equal opportunity will be provided to those eligible and decisions shall be based on merit.

For its part, the company expects employees to perform excellent work in a cost-effective manner, to strive for quality and productivity, to follow directions and instructions, to properly care for facilities and equipment, to anticipate problems and suggest improvements, to treat other employees and clients and customers with honesty and courtesy, and to be energetic in the performance of tasks and fulfillment of goals.

#### **5. Safety, Health and Environment**

The company attaches a great importance to a healthy environment and to the safety of its employees. The company shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact on environment.

#### **6. Ethical Conduct**

Every employee of the company including the Board shall deal on behalf of the company professionalism, honesty & integrity, while conforming to high moral and ethical standards. Such conduct shall be fair, reasonable & transparent and be perceived to be so by third parties.

Every employee of the CHD Company shall preserve the human rights of every individual and the community, and shall strive to honour commitments.

Every employee shall be responsible for the implementation of and compliance with the Code in his/her environment. Failure to adhere of the code could attract severe consequences, including termination of employment

#### **7. Transparency & Accountability**

All Company employees shall ensure that their actions in the conduct of business are totally transparent except where the need of business security demands otherwise. Such transparency shall be brought through appropriate policies, systems and processes. All

employees shall voluntarily ensure that their areas of operation are open to audit and the conduct of their activities are totally auditable.

## **8. Conflict of Interest**

The Board and the employees of the Company shall avoid any conflict, or the appearance of a conflict, between his/her personal interests and the interests of the Company. A conflict exists when his/her personal interest interferes with the interests of the Company as a whole, or when he/she takes actions or has interests that may make it difficult for him/her to perform his/her job objectively, effectively and unbiased.

The Company depends upon the integrity of the Board and Designated Employees, who have knowledge of a decision or activity of the Company that involves or might involve a conflict of interest.

The Board and employees shall disclose all the circumstances that constitute an actual or apparent conflict of interest. These disclosures shall be made to the Board of Directors or the Audit Committee, as the case may be.

The Company feels that serving on the Boards of Directors of the other companies may raise substantial concerns about potential conflict of interest. And therefore, the Board and employees shall report / disclose such relationships to the Board of Directors or Concerned committees, as the case may be.

## **9. Entertainment, Gifts & Donations**

The CHD Company and neither of its employees shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and other comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive) favour or influence any business decision for the conduct of business. Permissible exceptions include: offering Company's advertising or promotional items such as a calendar, or similar item displaying the Company logo and name.

The Secretarial Department in consultation with the Administration and Accounts Department, shall notify, from time to time, a list of permissible gifts.

The company shall cooperate with governmental authorities in efforts to eliminate all forms of bribery, fraud and corruption.

## **10. Financial Reporting and Records**

CHD Company shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, applicable laws.

Internal accounting and audit procedures shall reflect, fairly and accurately, all of the company's business transactions and disposition of assets, and shall have internal controls to provide assurance to the company's board and shareholders that the transactions are accurate and legitimate.

All relevant information shall be accessible to company's auditors and other authorized parties and government agencies. There shall be no willful omissions of any company transactions from the books and records , no hidden bank accounts and funds.

Any willful, material misrepresentation of and /or misinformation on the financial accounts and reports shall be regarded as a violation of the Code, apart fro inviting appropriate civil or criminal action under various laws, no employee shall make, authorize ,abet or collude in an improper payment, unlawful commission or bribing.

#### **11. Political Non-Alignment**

CHD shall not support, directly or indirectly, any specific political party or candidate for political office. The Company shall not offer or give any Company's fund or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

#### **12. Confidentiality**

Any information concerning the CHD business, its clients, etc., which is not in public domain and to which the Board and/or the employees have access or possess such information, must be considered confidential and held in confidence, unless authorized to disclosed by the Managing Director, and when disclosed is required as a matter of law or required in the ordinary course of business of the company.

Confidential information includes all non-public information the disclosure whereof might be detrimental to the interest of the Company, its affiliates, its lenders, its portfolio companies, its clients or its other business partners, or useful to its/their competitors.

#### **13. Insider Trading**

The Company has formulated a Code of Conduct to prevent Insider Trading. The Board and Designated Employees shall comply with the requirements of the Code. The Board and the employees shall not derive benefit or assist others in deriving benefit by giving investment advice, from the access to and possession of information which is not in public domain, about the Company and/or its clients companies, and therefore constituting insider trading.

#### **14. Compliance with Applicable Laws, Rules and Regulations**

The Board and Designated Employees of the Company have a duty to comply with all the laws, rules and regulations that apply to the Company's business. They must acquire appropriate knowledge of the legal requirements relating to their duties, either from internal source or from an outside source. Violations of applicable laws, rules and regulations may subject them to individual criminal or civil liabilities, as well as disciplinary action/s by the Company. Such individual violations may also subject the Company to the civil or criminal liabilities or the loss of business.

## **15. Reporting Concerns**

Every employee of CHD company shall promptly report to the management, and/or third –party ethics helpline, when she/he becomes aware of any actual or possible violation of the Code or an event of misconduct ,act of misdemeanor or act not in the company's interest .Such reporting shall be made available to suppliers and partners, too.

It is the ethical responsibility of the employees to abide by and enforce this Code. The Board of Directors shall take necessary disciplinary action against any Director and/or employees who would be found guilty of violating this Code.

Violations of the Code will result in appropriate corrective action/s, up to and including immediate termination of employment at the sole discretion of the Board of Directors of the Company. If the violation involves potentially criminal activity, the individual(s) in question may be reported, as warranted, to the appropriate authorities

## **16. Where to Seek Clarification**

The Board and Designated Employees can get clarification regarding this Code of Conduct from the Company Secretary of the Company.

### **Acknowledgment:**

I have received the Company's Code of Conduct for the Board and Designated Employees. I have read and understood the Code and agree to be governed by it at all times.

**(Signature)**

**(Name)**

**Dated:**

\* Please sign and return this Form to the Secretarial Department

\*This Code of Conduct was approved by the Board of Director at their meeting held on 19th December 2005