

SADBHAV ENGINEERING LIMITED – CODE OF CONDUCT

FOR

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

*(Originally adopted by the Board of Directors on 31st March, 2006;
Amended version adopted by the Board of Directors on 30th May, 2014)*

1. Introduction

Sadbhav Engineering Limited, Code of Conduct for the Board of Directors and Senior Management (Code) is aimed to inculcate the spirit of corporate governance principles in the affairs of the Company. The primary purpose of the Code is to encourage and promote ethical conduct. The adherence to this Code is essential for conducting the business of the Company as per the corporate values of the Company.

2. Applicability and effective date

The Code shall be applicable to all the Directors of the Company and the Employees in the senior Management of the Company, who are one level below the Executive Directors, including all the functional heads and heads of Business Geographies who report / shall report from time to time to Executive Directors. The Code shall be effective From May 30, 2014.

The compliance officer, as designated by the Chairman, will be the principal officer for this Code. He is empowered to report to the Chairman of the Board on any matter relating to the implementation of the Code. The compliance officer should be consulted if there is any doubt or lack of clarity about any aspect in the code. The chairman of Board may also be consulted wherever required.

3. Honest and ethical conduct

The honest and ethical conduct shall include the conduct conforming to accepted professional standards exhibiting fairness and transparency. The Directors/ Senior Management shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. The dealings of Directors/Senior Management while managing the affairs of the Company shall be free from any fraud or misuse of the office or any resources of the Company.

4. Duties of Independent Directors :

The Independent Directors of the Company shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

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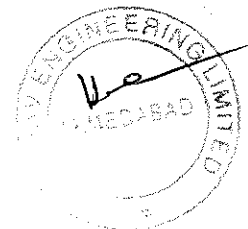
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- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

Explanation (1) : For the purpose of this code, 'independent director' shall mean an independent director referred to in sub-section (6) of section 149 of Companies Act, 2013.

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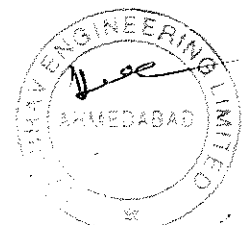
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Explanation (2) : The independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing agreement.

5. Conflicts of interest

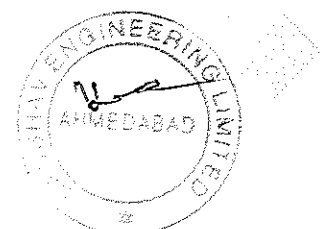
The interest shall mean membership, directorship, professional relationship such as a consultant or otherwise, or any affiliation or association, with or in any other entity. It shall also include direct or indirect concern in any past, present or proposed contract, arrangements, or dealings with the Company or its subsidiaries or affiliates. The indirect interest shall include the interest of the relative, partner or any affiliate of the Directors/ Senior Management or his relative or affiliate holds a controlling stake, significant office or has a considerable influence over its affairs. The term 'relative' shall mean the persons mentioned under Section 2 (77) of the Companies Act, 2013.

A conflict of interest is a situation in which interest of the Directors/ Senior Management conflicts, with the interest of the Company or its subsidiaries or affiliates or customers. If in the course of the business, any interest of the Directors/ Senior Management detrimentally conflicts with the smooth and profitable conduct of the affairs of the Company or its subsidiaries or affiliates, the Directors/ Senior Management shall disclose such conflict to the Compliance Officer and take all the necessary steps to resolve or avoid such conflict. No the Directors/ Senior Management shall make any profit or gain in the event of and as result of such conflict. The Directors/ Senior Management shall make adequate and timely disclosure of all their interests to the Compliance Officer. If such transactions are material to the company, they shall be placed before the Audit Committee for review. Any dealing with related party must be conducted on an arms length basis and on commercial terms and no preferential treatment shall be given.

The Directors/ Senior Management should attempt to plan their business and personal affairs so as to avoid conflicts to the greatest extent possible, and, in those cases where a conflict cannot be avoided, they should fully disclose the circumstances of the conflict to the Compliance Officer and abstain from participation in any decision-making by the Company in connection with any transaction giving rise to the conflict.

6. Financial reporting and records

The Directors shall ensure that the Accounting and Financial records of the Company adhere to the prevailing and applicable accounting standards and generally accepted accounting practices and conventions that are prudent so as to give a true and fair view of affairs of the Company and of the profit of the Company. The Directors shall ensure that there exist adequate internal controls, accounting and audit procedures for



safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. No the Directors/ Senior Management shall make or shall cause to be made, any willful misrepresentation in any Accounting and Financial records of the Company.

7. Gifts and donations

No the Directors/ Senior Management under any circumstances shall receive any payments, remuneration, gifts, donations or any benefits or gains which are intended to pass on undue benefits to an outsider and which would have negative impact on the Company's business. Similarly the Directors/ Senior Management shall not make or offer to make or abet any payments, remuneration, gifts, and donations or pass on any benefits, gains to any person, which would have the effect of unethical conduct of business.

8. Regulatory compliance

The Directors/ Senior Management shall ensure compliance with all the applicable laws, rules and regulations. The Directors/ Senior Management shall ensure that the company is not in violation of any such laws, rules and regulations and does not incur any financial or other liabilities on account of such violation. In the event of any non-compliance of any such laws, rules and regulations by the Company is observed by any Directors/ Senior Management, such Directors/ Senior Management shall immediately bring it to the notice of the Compliance Officer and initiate appropriate remedial measures.

9. Confidentiality

Any material information bearing significance to the interests of the Company or any subsidiaries or affiliates of the Company in the possession of the Directors/ Senior Management shall be kept as confidential. The Directors/ Senior Management shall protect and take all the measures and observe prudence to safeguard the confidentiality of the information at all the times till the same becomes a part of public knowledge documents.

10. Corporate Opportunity

Except as may be approved by the Board of Directors/Committee thereof, the Directors/ Senior Management are prohibited from (a) taking for themselves personally any opportunities that belong to either Company or are discovered through the use of corporate property, information or position, (b) using corporate property, information, or position for personal gain, and (c) competing with the Company.

11. Insider trading

The Directors/ Senior Management shall adhere to the provisions of Code of Conduct for prevention of insider trading. None of the Directors/ Senior Management shall participate in any trading or assist or abet the trading of any stock, shares, scrips or securities in violation of the SEBI (Insider Trading) Regulations 1992 or such other rules and regulations from time to time.

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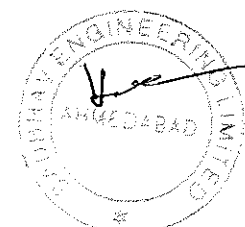
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12. Contribution to the growth and Value addition

The Directors/ Senior Management shall endeavor to enhance the value to the business of the Company and contribute positively to the growth of the Company. They shall contribute to the best of their professional abilities.

13. Fair Dealing

The Directors/ Senior Management shall endeavor to deal fairly with the Company's customers, suppliers, competitors, officers, and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Inappropriate use of proprietary information, misusing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited.

14. Protection and proper use of Company Assets

The Directors/ Senior Management shall perform their duties in a manner that protects the Company's assets and ensures their efficient use. All the assets shall be used for legitimate business purposes.

15. Total commitment

The Executive Directors and Employees in Senior Management shall devote their full time and attention to the business interests of the Company. They are prohibited from accepting any assignment, contract or any commercial or activities outside the purview of their employment, which interfere with performance of their duties, while in employment with the Company. They shall not take up any activity that jeopardizes the interests of the Company in any manner.

16. Any Query or Concern of the Employees

Any Query or concern of the employees of the Company should be addressed to their immediate superior or superior's superior or to the Audit Committee through letter, mail, fax or email . Please refer the Whistleblower Policy for the same.

17. Amendment, Modification and Waivers

This Code may be amended, modified or waived by the Board, subject to appropriate applicable provisions of laws, rules, regulations and guidelines.

As a general policy, the Board will not grant waivers to the Code. However, in extraordinary situations and for reasons to be recorded in writing, the Board may grant exemption from any one/more of the provisions of this Code.

18. Annual Certification

Every Director and Employees in Senior Management shall certify compliance with the code within 15 days of the close of the financial year of the company, in the form annexed to this code.

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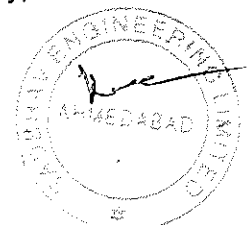
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ANNEXURE

To
The Compliance Officer
Sadbhav Engineering Limited

Compliance Certificate

I, _____ being a member of the Board of Directors/
Senior Management of Sadbhav Engineering Limited ('the Company') do hereby
acknowledge, confirm and certify as follows:

- i) I have received, read and understood the Code of Conduct and Ethics for Directors and Senior Management of the Company;
- ii) I am bound by the said Code to the extent applicable to my function as a member of the Board of Directors/Senior Management of the Company;
- iii) During the financial year _____, I have complied with provisions of the said Code;

Signed: 

Name: 

Designation: 

Date:

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