

SWARAJ ENGINES LIMITED

Code of Ethics & Conduct

Code of Ethics & Conduct (the "Code") for Swaraj Engines Limited (SEL) is in alignment with its core Values & Beliefs.

Swaraj Engines has always considered and shall continue to consider itself as Custodian and Trustee of all its Constituencies – customers, employees, business associates and shareholders.

SEL has always sought and shall continue to seek corporate excellence and profits by :

- Offering quality products with distinctive features at reasonable prices, ensuring better-than-the-best service for durable customer satisfaction.

The quality standards of the products and services shall meet the required national standards and the Company would strive to achieve international standards.

The Company shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business.

- Creating and sustaining an Employee-caring culture, inspiring each one to feel and behave as an owner and part of the enterprise.

The Company recognizes and shall continue to recognize that its core strength is the involvement of its employees, team spirit, their high integrity & abiding loyalty and their life time commitment to the Swaraj enterprise.

The Company shall provide equal opportunities to all its Employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age and disability. Employees of the Company shall be treated with dignity and in accordance with the policy of maintaining a work environment free of sexual harassment.

Employee policies and practices shall be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and that decisions are based on merit.

- Creating and sustaining bonds with Business Associates, evoking in them strong sense of loyalty for the Enterprise.

- Striving for consistently superior returns to shareholders and other financial stakeholders.

- Conducting business with highest standards of corporate behaviour, transparency, unyielding integrity.

- The Company has not and shall not support, directly or indirectly, any specific political party or candidate for political office. The Company has not and shall not offer/give any Company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

APPLICABILITY

This Code is applicable to all Employees including Members of the Board of Directors [collectively referred as the "Employee(s)"].

The principles and procedures in this Code apply to all material transactions and describe the conduct expected of every Employee of the Company.

Accordingly, Employees of the Company are expected to read and understand this Code and conduct business ethically and with undiluted integrity, in compliance with applicable laws, and in a manner that excludes consideration of direct or indirect personal advantage / gains.

For any clarifications, please contact Mr M.S. Grewal, Company Secretary (grewal.maninder@mahindraswarai.com) and/or refer to the Company Web Site (www.swarajenterprise.com).

CRITERIA FOR EXERCISING THE AUTHORITY

It is imperative on every Employee incurring or authorising transactions or expenditure to be guided by high standards of financial propriety, remembering always:

- that maximising revenues and minimising expenditure is the hall mark of a successful business and that expenditure should not prima facie be more than what the occasion/item demands.
- to exercise the same vigilance on expenditure incurred from the funds of the Company as a person of ordinary prudence would exercise when spending his/her own money and, in case of any conflict of interest, to without hesitation, place the Company's interest ahead of the individual.
- that powers for sanctioning expenditure of a particular type should be exercised in such a manner that the approved expense is justifiable in all aspects and is not a source of profit to the recipient.
- that the assets of the Company are not to be misused but employed for the purpose of conducting the business for which they are duly authorised.

Every Employee vested with authority is responsible for enforcing strict financial discipline and utmost economy at every step. He/she is responsible and accountable for observance of the provisions of this Code, both by his/her own office and by offices/departments under his/her charge.

CONFIDENTIALITY

The principle of honesty extends to issues of confidentiality of information. Employees are required to maintain the confidentiality of all material non-public information relating to the Company's business and affairs that they receive or become privy to in connection with the Company's business, except when disclosure is authorised or legally mandated. Confidential information includes all non-public information that might prejudice the ability of the Company to pursue its objectives, to be of use to competitors or harm the Company, if disclosed. Employees must not use confidential information for their own advantage or profit directly or indirectly.

CONFLICTS OF INTEREST

A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Accordingly, a conflict of interest may exist when an Employee is involved in an activity or has a personal interest (direct or indirect, by himself or through any member of his/her immediate family) that in the opinion of the Company interferes with the Employee's objectivity in performing Company duties and responsibilities. Hence, an Employee's duty to the Company demands that he/she avoids and discloses actual and apparent conflicts of interest. Brief guideline in this regard is given below:

A. Employment / Outside employment: In consideration of employment with the Company, Employees are expected to devote their full attention to the business interests of the Company. Employees should avoid any relationship, influence, or activity that might impair, or even appear to impair, their ability to make objective and fair decisions when performing their job. Company policies prohibit Employees from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, Employees must disclose to the Company's Chairman / Audit Committee, any interest that they have that may conflict with the business of the Company.

B. Outside directorships and employment: It is a conflict of interest to serve as a Director of any other organization which is doing the similar business in which the Company is engaged. Employees must first obtain approval from the Company's Chairman / Audit Committee before accepting a directorship of such organisation.

C. Related parties: As a general rule, Employees should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include parents, spouse and children.

D. Payments or gifts from others: A Company Employee shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. However, an Employee may accept and offer nominal gifts, which are customarily given.

E. Corporate opportunities: Employees shall not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position, without prior full disclosure by them and consent thereupon in writing from the Company.

DISCLOSURE

The Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company file with, or submit to, the Stock Exchanges, SEBI and / or any other Govt. agency and in all other public communications made by the Company.

PUBLIC REPRESENTATION OF THE COMPANY

In all its public appearances with respect to disclosing Company and business information to public constituencies such as the Media, the Financial Community, Employees and Shareholders, Company shall be represented only by specifically authorised Directors and Employees. It will be the sole responsibility of these authorised representatives to disclose information on the Company.

COMPLIANCE WITH STATUTORY LAWS, RULES & REGULATIONS / INTERNAL COMPANY POLICIES

Employees must comply with all applicable governmental laws, rules and regulations relevant to their designated responsibilities. Accordingly, they must acquire and possess requisite knowledge including legal requirements for the proper and due discharge of their responsibilities. Employees must also know and comply with all the Company's internal policies and procedures.

VIOLATIONS OF THE CODE

Every effort should be made to uphold and promote the principles of this Code. Not only it is important for Employees to adhere to the principles expressed in this Code, but each Employee is also expected to encourage and support adherence by other Employees.

The Company will take appropriate action against any Employee whose actions are found to violate the Code or any other policy of the Company, after giving him/her a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators.

WAIVERS AND AMENDMENTS OF THE CODE

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