



Escorts Finance Limited

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

INTRODUCTION

The Code of Conduct (hereinafter referred to as "the Code") shall be the Code of Conduct for Board Members and Senior Management Personnel (hereinafter referred to as "the Officers") of Escorts Finance Limited (hereinafter referred to as "the Company")

The Officers are expected to read, understand and to uphold standards set out under the code.

The Code shall come into force with effect from 1st January 2006.

The purpose of the Code is to further enhance the existing ethical and transparent process in the management of the Company. However, the Code is not intended to cover every legal or ethical issue that may arise in course of the business.

DEFINITIONS AND INTERPRETATIONS

Board Members: Board Members shall mean the Members on the Board of Directors of the Company.

Senior Management Personnel: Senior Management Personnel means:

Executives in the grade of Associate Vice President and above; and

Functional Heads.

Family: Family shall mean the dependant family Members (i.e. spouse, son, daughter and parents) of an individual.

Interest in Transaction: Interest in transaction means any material pecuniary interest in any contract or arrangement, either by himself/herself or through his/her family.

APPLICABILITY

The Code shall be applicable to the following category of persons:

Board Members; and
Senior Management Personnel.

(Hereinafter collectively referred to as "the Officers")

KEY REQUIREMENTS:

1) CORPORATE GOVERNANCE

The Officials of the Company shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.

2) INTEGRITY

The Officials of the Company shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.

3) USE OF COMPANY'S ASSETS AND FUNDS

The Officials of the Company shall ensure that they use Company's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.

4) GIFTS AND OTHER BENEFITS

The Officials of the Company shall not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from Company's business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.

5) CONFIDENTIALITY OF INFORMATION

The Officers of the Company shall not disclose any information either formally or informally, to media/ press unless specifically authorized by the Company.

The Officers of the Company shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage even after he/she ceases to hold such office.

6) IMMORAL BEHAVIOUR

The Officers of the Company shall not commit any offences involving moral turpitude or any act contrary to law or opposed to public policy.

7) CORPORATE OPPORTUNITIES

The Officers of the Company shall not, without prior approval of the Board or Senior Management, as the case may be, accept employment or a position of responsibility with any other organization for remuneration or otherwise which is engaged in competing business with the Company.

8) CONFLICT OF INTEREST

The Officers of the Company shall in conformity with applicable legal provisions disclose personal and/ or financial interest in any business dealings concerning the Company and shall declare information about their relatives (spouse, dependent children and dependent parents) including transactions, if any, entered into with them.

9) SAFETY AND ENVIRONMENT RELATED NORMS

The Officers of the Company shall ensure compliance of the prescribed safety & environment related norms and other applicable codes, laws, rules, regulations and statutes, which if not complied with may, otherwise, disqualify him/ her from his/ her association with the Company.

10) COMPLIANCE WITH LAWS

The Officers of the Company are expected to comply with the requirements of all laws, rules and regulations etc. applicable to their respective areas of operations.

The Officers of the Company shall also ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as also other regulations as may become applicable to them from time to time.

11) COMPLIANCE WITH THE CODE OF CONDUCT

It is obligatory on the part of every Officer to make disclosure under the code affirming their adherence to the Code as per the Format given in 'Annexure A' of the Code. This disclosure shall be made to the Company Secretary/Compliance Officer within 30 days of the close of every financial year.

AMENDMENTS OR MODIFICATIONS 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 date stated therein.



Escorts Finance Limited

ANNEXURE A

COMPLIANCE OF CODE OF CONDUCT

I, _____ do hereby solemnly affirm that to the best my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the Financial Year ended 31st March_____.

Signature: _____

Date: _____

Place: New Delhi

Name: _____

Designation: _____

* To be submitted within 30 days of close of every Financial Year