



## **TD POWER SYSTEMS LIMITED**

Corporate Identity Number (CIN): L31103KA1999PLC025071  
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Originally adopted by the Board of Directors on February 18, 2011

*Amended version adopted by the Board of Directors on November 05, 2014*

### **CODE OF BUSINESS CONDUCT AND ETHICS**

**TD Power Systems Limited's** ("We", "Our", or the "Company") commitment to ethical and lawful business conduct is not only critical to the Company's success, but also a fundamental shared value of its Board of Directors (the "**Board**"), senior management personnel and employees. Our standards for business conduct provide that, we will uphold ethical and legal standards vigorously, as we pursue our financial objectives and the Company, the Board and senior management personnel will not compromise honesty and integrity.

Consistent with these principles, the Board has adopted this Code of Business conduct and Ethics (the "**Code**") as a guide to the high ethical and legal standards expected of its Board and its senior management personnel.

The members of the Board and senior management personnel of the Company acknowledge and accept:

- i. the responsibility to carry out their duties in an honest and businesslike manner and within the scope of their authority, as set forth in the general laws of the land where they operate and in the Memorandum of Association and Articles of Association of the Company, Corporate Governance Guidelines; and
- ii. that they are entrusted with and responsible for the oversight of the assets and business affairs of the Company in an honest, fair, diligent and ethical manner, and with the duty to make and enact informed decisions and policies in the best interests of the Company and its stakeholders.

Accordingly, the Board has adopted this Code and the Directors and senior management personnel are expected to adhere to the standards of loyalty, good faith, and the avoidance of conflict of interest that follow.

In performing their daily duties, the Directors/senior management personnel will:

1. Act ethically, diligently, openly, honestly, in good faith and with integrity;
2. Act in the best interests of, and fulfill their fiduciary obligations to the Company and its stakeholders;
3. Act in good faith, responsibly, and with due care, competence and diligence, without allowing their independent judgment to be subordinated;
4. Dedicate their best efforts to advancing the Company’s interests and act in a manner that will enhance and maintain the reputation of the Company;
5. Abide by all applicable laws and regulations, confidentiality obligations and specially with the Company’s Insider Trading Rules;
6. Become and remain familiar with the Company’s business and the economic and competitive environment in which it operates and understand its principal business plans, strategies and objectives; operations results and financial condition and relative marketplace position;
7. Conduct themselves in a professional, courteous and respectful manner;
8. Be aware of and comply with all applicable laws, rules and regulations that govern the conduct of the business in all jurisdictions where the Company operates;
9. Commit the time necessary to prepare for, attend (in person or as appropriate) and actively participate in regular and special meetings of the Board/ senior management or other meetings on which they serve/attend;
10. Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matter in which the Director/Senior Manager has or may have a conflict of interest;
11. Discharge their duties, as members of the Board and of any Board Committees on which they serve or as senior management personnel in accordance with their good faith business judgment and in the best interests of the company and its stakeholders;
12. Inform the Chairman of the Board of changes in their employment, other board positions, relationships with other business, charitable, and governmental entities, and other events, circumstances or conditions that may interfere with their ability to perform their duties or impact the Board's assessment of whether they meet the independence requirements;
13. Maintain the confidentiality of all material non-public information about the Company, its business and affairs;

14. Make available to and share with fellow Directors and senior management personnel information as may be appropriate to ensure proper conduct and sound operation of the Company;
15. Not enter into, without the prior approval of the disinterested members of the Board, any transaction or relationship with the Company in which they will have a financial or personal interest (either directly or indirectly, such as through a family member or other person or organization with which they are associated), or any transaction or situation which otherwise involves a conflict of interest;
16. Not use confidential information acquired in the course of their service as Directors or senior management personnel for their personal advantage.
17. Provide leadership in advancing the Company's vision, values and guiding principles; and
18. Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, except when authorized or legally required to disclose such information.
19. Safeguard and properly use Company assets and resources, as well as assets of other organizations that have been entrusted to the Company.
20. Never request gifts, entertainment or any other business courtesies from people doing business with the Company (including suppliers, customers, competitors, contractors and consultants).

### **Annual Confirmation**

All Directors and senior management personnel will annually on or before March 31 of every year or such other date as may be determined in this regard sign a confirmation that they have read and will comply with this Code.

### **Non – Compliance**

Suspected violations of this Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations will be appropriately investigated. Directors who violate this Code may be subject to sanctions, up to and including a request to resign as Director or the Board's seeking removal of the Director, where permitted by applicable law.

### **Waivers and amendments**

The Company is continuously reviewing and updating all its policies and procedures and therefore this Code is subject to modification. The Board must approve any amendment or waiver of any provision of this Code in writing.

## **AMENDMENT**

*Clause 49 II (E) of the Listing Agreement requires that a Code of Conduct shall suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013. In compliance with this requirement, the following Amendment (approved by the Board) has been inserted:*

### **Code for Independent Directors (Schedule IV of the Companies Act 2013)**

#### **I. Guidelines for Professional conduct**

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising their duties;
3. exercise their responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of their independence;
8. where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. assist the Company in implementing the best corporate governance practices.

#### **II. Role and functions**

1. Assist in bringing an independent judgment to bear on the Board’s deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
2. Bring an objective view in the evaluation of the performance of Board and management.
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. Satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.

6. Balance the conflicting interest of the stakeholders.
7. Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
8. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder’s interest.

### **III. Duties**

1. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
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 including a Separate meeting of the independent director and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Company.
6. Where you 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 your concerns are recorded in the minutes of the Board meeting.
7. Keep yourself 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 yourself 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 behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.
12. Acting within your 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.

Bangalore  
November 05, 2014

TD Power Systems Limited