



ABANS ENTERPRISES LIMITED
&
ITS GROUP COMPANIES

CODE OF ETHICS

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CODE OF ETHICS

I. INTRODUCTION

Abans Enterprises Limited at its Group Companies' (Hereinafter referred to as Abans Group Companies') Code of Ethics is in alignment with its values and commitments. The essence of this code is that each employee should conduct the Company's business in a way that upholds its values and commitments.

This code expects every employee to conduct business with integrity, in compliance with applicable laws, and in a manner that excludes consideration of direct or indirect personal advantage/gains.

It is the individual responsibility of each one of Abans Group Companies' employee to ensure that all of us are aware of these values, commitments, and procedures, and behave in accordance with the spirit as well as the letter of this code.

Abans Group Companies recognize that it is vital that the behaviour of its employees matches the high intentions and values. Hence, adherence to all the elements of this code and the accompanying principles and procedures is necessary. The principles and procedures in this Code of Ethics apply to all material transactions, large or small, and describe the conduct expected from every Abans Group Companies' employee.

II. CONFLICT OF INTEREST

1. What is a 'Conflict of Interest'?

A conflict of interest may exist when an employee is involved in an activity or has a personal (direct or indirect, by himself or through any relative) interest that in the opinion of the company, interferes with the employee's objectivity in performing company duties and responsibilities.

An actual conflict of interest need not be present. Also, a direct loss or disadvantage to the company need not be present/evident. Activities that create the appearance of a conflict of interest also are automatically deemed to be covered by this policy in order not to reflect negatively on the reputation of Abans Group Companies and/or its employees.

Any 'indirect' interest, held by an employee, in any property, proprietorship, concern, partnership, investment, arrangement, agreement or transaction that creates or can create direct or indirect personal advantage or gains can lead to a conflict of interest.

A conflict of interest can arise when an employee is involved in a transaction/arrangement with any person acting on his/her behalf or at his/her behest for the employee's direct or indirect personal advantage or gains. Such activities, arrangements, transactions, agreements are not allowed and must be discontinued by the employees immediately, failing which the company will commence the contract termination process and disciplinary action.

2. What is the essence of this code on conflict of interest?

Any activity or personal (direct or indirect) interest of the employee, including those of the employee's relatives, that leads to or can lead to a conflict of interest, is prohibited.

Employees are expected to provide truthful, accurate and complete information about certain facts, transactions, and relationships that may have bearing on issues related to conflicts of interests. They are expected to provide details about these facts, transactions and relationships to provide details about these facts, transactions and relationships irrespective of their assessment of whether a conflict of interest exists. Disclosure forms seeking such information will be made available to employees for submitting it in a confidential manner to the Board of Directors.

This is a key element of the plan to implement and enforce the policy on conflict of interest as it promotes self-regulation and is built on the pillars of trust and self responsibility. Employees are expected to identify conflicts of interest that involve them and are further expected to discontinue activities that result in or can result in conflicts of interest.

3. What should employees do to avoid a conflict of interest?

Employees should steer clear of any situation, which involves or may involve a conflict between their personal interest and the interest 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.

Employees dealing with customers, suppliers, contractors, competitors or any person doing or seeking to do business with the company are to act in the best interest of the company to exclusion of considerations of direct or indirect personal preference or advantage.

Employees are obliged to place Abans Group Companies' interest in any business transactions ahead of any direct or indirect personal interest or personal gain to the individual employee or to the employee's spouse, family member, friend or other individual.

An employee should not have an outside employment or be involved in an outside activity which is in direct/indirect conflict with the official duties of the employee. Employees are also prohibited from using their position/title/authority associated with their office or coerces or induces a benefit for themselves or others.

Any declaration by an employee which has any of the above and therefore causes conflict of interest shall be deemed as an act of misconduct and he/she may face disciplinary action.

Certain presumptions will arise against employees acting in contravention with these requirements.

4. What actions are to be avoided by the employees at all times?

Any person to whom this policy is made applicable cannot undertake any of the following activities:

- a. To undertake full-time employment or significant and active managerial or decision-making role in any business enterprise other than Abans Group Companies.
- b. Bar on setting up, operating, advising, representing, or getting involved in any manner whatsoever with business enterprise that competes with any of Abans Group Companies in any of our businesses.
- c. Holding an investment interest (either directly or indirectly through any relative¹) or any kind of financial involvement or acting as an officer, member, director, partner, consultant, representative, agent, advisor, broker, intermediary or employee or in any other capacity in any outside business enterprise would not be allowed if the outside interest does or proposes to do business with any of Abans Group Companies (as a supplier, customer, consultant, advisor, agent, broker, intermediary, representative or in any other way).
- d. Not to participate in any activity that might lead to or give the appearance of unapproved disclosures of proprietary information or proprietary information owned by others who have entrusted such information to Abans Group Companies.
- e. Employees should not use their corporate official title or position to promote a book, seminar, or any other similar activity. All employees may accept honoraria for an appearance, speech or article, provided that the activity does not relate to the employee's official duties.
- f. An employee cannot be involved or engaged in any other activity that could create the appearance of a conflict of interest and thereby impair Abans Group Companies' reputation.

¹ (*Relatives include the following Spouse, Father, Mother, Sons, Son's Wife, Daughters, Daughters' Husband, Father's father, Father's Mother, Mother's Father, Mother's Mother, Son's son, Son's Son's wife, Son's Daughter, Son's Daughter's Husband, Daughter's son, Daughter's Son's ew, if Daughter's Daughter, Daughter's Daughter's Husband, Brother (including step brother) Brother's Wife, Sister (including Step-Sister) Sister's Husband, Member's of HUF)

5. What are the exceptions to the above policy?

- a. An employee can accept an office in a non-profit organization if he obtains prior approval from the management.
- b. An employee can accept an office or hold an investment in any outside entity (which is doing or proposes to do business with any of Abans Group Companies e.g. Joint Venture) if he has obtained approval from the management and such investment/office is held on behalf of or as a nominee of the Company.

III. POLICY ON PAYMENTS AND GIFTING

1. What are the general principles that employees should bear in mind while making any payments, giving gifts on behalf of Abans Group Companies?

Gifts, payments, business courtesies, favours and entertainment may be given to others at company expense only if they meet all of the following criteria:

- a. They are consistent with customary business practices;
- b. They are not in contravention of applicable law; and
- c. Public disclosure of the facts will not create the appearance of impropriety or embarrass either the company or the employee.

Permissible exceptions include: offering Abans Group Companies advertising or promotional items such as a calendar, or similar item displaying the Company logo and name, and providing modest hospitality connection with business activities.

The Board of Directors will notify from time to time a list of gifts is permissible.

An employee should never use personal funds or resources to do something that cannot be done with Abans Group Companies' resources.

2. What care should be taken while making payments or giving gifts on behalf of the Company?

If any doubt exists as to the impact an offer of a business courtesy could have on the reputation of the company or of those involved, the business courtesy should not be offered.

3. What are the specific principles pertaining to gifts given to customers?

Employees may offer business courtesies to customers, provided the following four conditions are all met:

- a. The business courtesy does not violate any law or regulation or known policy of the customer, and
- b. The business courtesy is customary and consistent with the business practices of the marketplace in which it is offered.
- c. Approval at an appropriate level is obtained.
- d. The business courtesy is properly reflected on the books and records of the Company.

4. What are the specific principles pertaining to payments made or allowances given to customers?

Commissions, rebates, discounts, credits, waivers, and allowances should be paid or granted only by the company on whose books the related sale is recorded, and such payments should:

- a. Bear a reasonable relationship to the value of goods delivered or service rendered.
- b. Be by cheque or bank transfer or in kind and note to individual officers, employees or agents of such entity or a related business entity; and
- c. Be supported by documentation that is complete and that clearly defines the nature and purpose of the transaction.

Agreements for the company to pay commissions, rebates, credits, waivers, discounts or allowances should be in writing when this is not feasible, the payment arrangements should be supported by an explanatory memorandum for file prepared by the approving business head.

5. What are the exceptions to the above policy?

The intent of the above policy is to avoid illegal or unethical payments or establishing an environment where these may inadvertently be made.

However, the business world is complex and there may be unusual situations in apparent conflict with one or more provisions of the above policy. Some situations may warrant an exception if they form acceptable business practice.

In all cases, there must be no falsification, misrepresentation or deliberate overbilling relocated in any document involved in the transaction. This includes suppression or omission of documents or of information in documents or deliberate misdirection of documents.

Commission, rebates, credits, waivers, discounts or allowances that are paid or granted by the Company in conformity with normal standard procedures are deemed to have been established in writing and need not be documented in a written agreement or memorandum for file.

Entertainment or an exchange of gifts purchased at employee expense under circumstances which make it clear that the entertainment or gift is based solely on a family relationship or personal friendship is not considered a business courtesy and is, therefore, not governed by this procedure.

However, when both a business and personal relationship exist, management should review the circumstances. In such cases, all those involved must be sensitive to and avoid any activity or situation that could create an actual or apparent conflict of interest.

6. What are the specific principles pertaining to payments made or commission paid in connection with purchases?

All the terms and conditions pertaining to payments made or commissions paid in connection with the company's purchases of goods and services should:

- a. Be supported by documentation that is complete and that clearly defines the nature and purpose of the transaction;
- b. Be consistent with trade practices and in line with applicable laws;
- c. Bear a reasonable relationship to the value of goods delivered or service rendered; and
- d. Be by cheque or bank transfer or in kind and not to individual officers, employees or agents of such entity or a related business entity.

IV. POLICY ON RECEIPT OF GIFTS

1. What are the general principles that any of the Abans Group Companies employees are expected to bear in mind before accepting any gifts or business courtesies?

All business courtesies offered to and accepted by Abans Group Companies' employees are courtesies that belong to Abans Group Companies. Employees do not have a right to keep a business courtesy for personal use.

When offered a business courtesy, employees should determine whether it is appropriate to accept the courtesy on behalf of Abans Group Companies after considering why it is being extended and possible repercussions on acceptance.

Acceptance and disposal of any gift/business courtesy has to be in line with the requirements of this code.

2. What gifts or business courtesies can Abans Group Companies employees accept?

An employee may keep a business courtesy

- a. When the courtesy is usually associated with customary business practices.
- b. Promotes successful working relationships and goodwill with persons or firms with whom Abans Group Companies maintains or may establish a business relationship. Such courtesies include infrequent business meals and entertainment that are shared with the person who has offered to pay for the meal or entertainment. However, employees should use good judgments

and decline invitation for meals and entertainment that are inappropriately lavish or excessive and are of such nature or magnitude that cannot be reciprocated.

- c. Conforms to the reasonable and ethical practices of the marketplace, such as flowers, fruits baskets, and other modest presents, that commemorate a special occasion.
- d. Does not create actual conflict of interest or divided loyalty, such as placing the interests of the person or firm that offered the courtesy above the interests of Abans Group Companies, including the Company's interest in conducting business fairly and impartially; and
- e. Does not create the appearance of an improper attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- f. Novelty, advertising, or promotional items of nominal value, such as calendars, pens, and mugs may generally be retained.

When local customs or practices make it inappropriate to decline the business courtesy at the time it is offered, employees should accept the courtesy and follow the guidelines for disposition.

3. What gifts or business courtesies that any of Abans Group Companies employees cannot accept?

Employees shall neither seek nor accept for themselves or others any gifts, favours, business courtesies or entertainment without a legitimate business purpose, nor seek or accept loans (other than conventional loans at market rates from lending institutions) from any person or business organization that does or seeks to do business with or is a competitor of the company.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business, or who participate in negotiating contracts must be particularly careful to avoid actions that create the appearance of favouritism or that may adversely affect the company's reputation.

Employees should avoid a pattern of accepting frequent courtesies from the same persons or companies.

The following actions made by employees would be completely unacceptable:

- a. Asking for a business courtesy.
- b. Accepting a business courtesy when:
- c. An attempt is being made by the donor to offer the courtesy in exchange for or to influence, favourable action by Abans Group Companies.
- d. An attempt is being made to motivate an employee to do anything that is prohibited by law, regulations, or Abans Group Companies or donor policy.
- e. An attempt is being made to gain an unfair competitive advantage by improperly influencing an employee's discretionary decisions.
- f. Using a company position as a means of obtaining business courtesies, such as personal discounts (on products, services, or other items). Employees may accept Abans Group Companies -approved discounts or discounts available to all Abans Group Companies employees.
- g. Accepting offers of expense-paid trips for pleasure from persons or firms with whom Abans Group Companies maintains or may establish a business relationship.
- h. Accepting a gift in cash or cash equivalents of any amount.

4. What is appropriate action in case of gifts that have been accepted but are inappropriate? What should Abans Group Companies employee do when the business courtesy or the gift is inappropriate or unacceptable?

If it is not appropriate to accept or retain a courtesy, the employee should either politely refuse the business courtesy at the time it is offered or follow the following guidelines for disposition.

Whenever an employee has accepted a courtesy that does not meet the criteria for acceptance in this procedure, he or she should use one of the following alternatives:

- a. Return it to the donor with a polite explanation that Abans Group Companies policy prohibits retention of the business courtesy.
- b. Promptly forward the courtesy to the department dealing with community welfare and charities for appropriate disposition.
- c. Retain the courtesy for displaying with prior approval.
- d. Retain the courtesy for personal use after prior approval or after paying Abans Group Companies an amount equal to the fair value of the business courtesy.

If the employee is ultimately permitted to retain such gifts, the Head of Department shall record his/her approval in writing and the employee will retain the approval on file for potential audit review.

V. POLICY ON PURCHASES THROUGH SUPPLIERS AND OTHER SERVICE PROVIDERS

1. What are the general principles of the purchase policy?

Purchase decision must be made purely on the basis of quality, service, price, delivery, best value, or other similar factors.

Extraneous or personal interest/advantage should never be the criteria for arriving at purchase decisions.

Objective, fair, transparent and responsible criteria must be used while evaluating, passing or rejecting the quality of the goods/services supplied.

If such criteria are being followed, the employees should not have any apprehension and fears about taking any procurement decisions.

Care must be taken to avoid actual/potential conflicts of interest and the appearance of partiality regarding all business transactions with suppliers and other service providers.

2. What actions should be avoided by Abans Group Companies employees while dealing with suppliers other service providers?

Employees may not solicit gifts or courtesies from suppliers/other service providers. However, under certain limited circumstances employees may accept gifts or business courtesies from suppliers/other service providers. Employees may receive business courtesies from suppliers/other service providers only in accordance with Policy outlined in this code.

Business and personal activities must be kept separate. Having both a personal and business involvement with a supplier or potential supplier/other service providers may create a conflict of interest or appearance of partiality. Please refer to the Policy on Conflict of Interest given in this code.

3. What additional responsibilities are levied on Abans Group Companies employees under this Code?

A supplier's or potential supplier's proprietary information and resources must be protected by Abans Group Companies employees in accordance with Inside Information policy as outlined elsewhere in this code.

Employees are responsible for complying with supplier-imposed limitations governing use of supplier information, including such items as documents and computer software.

Abans Group Companies proprietary or sensitive information must not be disclosed to a supplier or potential supplier unless disclosure is authorized and in accordance with Inside Information policy as outlined elsewhere in this code.

All company employees, contract labour, consultants, representatives, agents and others acting for the company is prohibited from the following actions:

- a. Soliciting, accepting, or attempting to accept any kickback.
- b. Including, directly or indirectly, the amount of any kickback in the price charged under a contract, either as prime contractor or sub-contractor.

The term ‘kickback’ includes any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind whether in cash or kind that is provided directly or indirectly to anyone for the purpose of inappropriately or improperly obtaining or rewarding favourable treatment.

It should be noted that any action that even appears to be in violation of the above principles would be severely dealt with.

4. What are the responsibilities that are levied on the suppliers/other service providers as per this policy?

Suppliers/other service providers are required to ensure that their actions in no way contravene any provisions of Abans Group Companies’ Business Ethics Policies.

They must take special care in respect of the specific requirements of the policy on conflict of interest, payments and gifts and receipt of gifts. These specific requirements will be incorporated as additional terms of all existing and new contracts with all suppliers and vendors.

The overreaching principle that the supplier ought to keep in mind is that their actions should not result in any direct or indirect personal advantage or gains for any Abans Group Companies employee or his/her relatives. It is not relevant for the purposes of this policy whether such actions were performed at the behest of the Abans Group Companies employee or were suo-moto actions on the part of the supplier.

Any supplier or vendor found to be violating any of these requirements will subject himself to the possibility of termination of his contract and the payment of liquidated damages.

VI. POLICY REGARDING FULL-TIME CONSULTANTS, AGENTS, AND REPRESENTATIVES AND OTHERS

1. What are the general principles regarding consultants, agents, and representatives?

We are committed to maintaining the integrity of our full-time consultants, advisors, agents, intermediaries, contractors, brokers, and representatives.

Business integrity is a key criteria for the selection and retention of those who represent Abans Group Companies.

Appointment of consultants, advisors, agents, intermediaries, brokers, and representatives must not result in the creation of a conflict of interest. For example, when a relative of an employee acts as a consultant, advisor, agent, intermediary, broker and representative of Abans Group Companies, a conflict of interest may arise. Such instances should be discontinued.

In this context, reference should be made to the company policy on Conflicts of Interest.

Individuals should never be appointed as consultants, advisors, agents, intermediaries, brokers, or representatives with a view to circumvent Abans Group Companies’ ethics and values. Full-time agents, representatives, or consultants who expressly represent or propose to represent Abans Group Companies’ must certify their willingness to comply with the Company’ s policies and procedures.

VII. POLICY ON POLITICAL CONTRIBUTIONS

1. What are the general principles regarding political contributions?

Employees shall not make any contribution of company funds to any political party or committee, domestic or foreign, or to any candidate for or holder of any office of any government -National, State, local or foreign unless it is legally permissible and is appropriately authorized.

Abans Group Companies employees should not make illegal political contributions, either directly or indirectly, through the use of expense accounts or through payments to third parties or on their own account.