



Permanent Magnets Ltd.

**CODE OF CONDUCT FOR DIRECTORS &
SENIOR MANAGEMENT**

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1. The Code of Conduct (hereinafter referred to as the “Code”) shall be called “The Code of Conduct for the Members of the Board of Directors and Senior Management personnel of Permanent Magnets Limited (hereinafter referred to as the “ Company”).
2. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company and thus to sustain the trust and confidence shown in the Management by the shareholders of the Company.
3. This code shall be applicable to all the Board Members and Senior Management of the Company and the principles prescribed in the code are general in nature and lay down broad standards of Compliance and ethics, as required by Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.
4. Violation of Law or this code or company’s rules & regulations or procedures should be reported immediately to the Chairman or Managing Director or Compliance Office of the Company in writing.
5. Definitions

In this code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this code, shall have the meaning assigned to them.

5.1 “Company” means PERMANENT MAGNETS LIMITED.

5.2 “Board Members” means Board of Directors of the Company.

5.3 “ Senior Management” shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors.

5.4 “Relative” shall have the same meaning assigned to them in section 2(77) of the Companies Act, 2013.

5.5 “Price Sensitive Information” shall have the same meaning as assigned to them in SEBI (Prohibition of Insider Trading) Regulations,1992.

5.6 “Compliance Officer” means the Company Secretary or any other officer designated by the Board of Directors of the Company for the purpose of this Code.

6. The Code of Conduct enjoins upon all concerned:-

- To maintain absolute integrity, devotion to duty and do nothing which is considered to be an unhealthy practice.
- demonstrate the highest standards of integrity, business ethics, and corporate governance.
- To conduct ourselves soberly and temperately and show proper respect and civility to all concerned; endeavour to promote the interest of the Company and to promote and maintain its good reputation.
- To build an enriching relationship with all our stakeholders including customers, vendors, suppliers, bankers, Government authorities and fellow employees based on trust and treat each of these individuals with respect and dignity when conducting business.
- To familiarize and comply with legal and regulatory requirements and the Company's policies and procedures.
- To take care to provide accurate, timely, complete and reliable information in records submitted, safeguard the company's confidential information and respect the confidential information of other parties with whom business is transacted.
- Shall not participate in any decision making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgement of the Company's best interest cannot be exercised.
- Shall not, in his official capacity, enter into business with (a) a relative or (b) a private limited company in which he or his relative is a member or a director (c) a public limited company in which the relative is a partner, except with the prior approval of the Chairman and Managing Director of the Company unless otherwise permitted by law.
- Shall not discriminate employees based on colour, religion, caste, creed or gender.
- Unless specifically permitted by the Chairman & Managing Director of the Company, not to hold any positions or jobs or directorship or engage in other businesses or interests that are prejudicial to the interests of the Company.
- Shall not disclose any Price Sensitive Information/ unpublished Price Sensitive Information that may affect performance of the Company.
- All the members of the Board and senior management personnel of the company

shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes.

- All the members of the Board and senior management personnel of the Company should strive for optimum utilization of available resources. They shall exercise care to ensure that costs are reasonable and there is no wastage.
- All the members of the Board and senior management personnel of the Company shall follow all prescribed safety and environment related forms.
- The Directors and Senior Management personnel shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to perform their obligations diligently. The Directors and Senior Management personnel shall also comply with the internal policies and procedures of the Company to the extent applicable to them including but not limited to compliance with Prohibition of Insider Trading policy of the Company.
- The Directors and Senior Management personnel must maintain the confidentiality of information relating to the affairs of the Company until and unless authorized or legally required to disclose such information and shall not use confidential information for their personal advantage.
- follow all the guidelines put forth in the Insider Trading - Code of Conduct.

In addition to the above, the Independent Directors of the Company, shall also abide by the duties as stipulated under Schedule IV to the Companies Act, 2013, which are reproduced below:

The Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;

- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

7. Amendment to the Code:

The Code is subject to modification / amendment from time to time. Any amendment to the provision(s) of the Code must be approved by the Board and communicated to the Directors and Senior Management.