

ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA

CODE OF BUSINESS CONDUCT AND ETHICS **FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

1.0 Introduction

1.1 This Code shall be called “The Code of Business Conduct & Ethics for Board Members and Senior Management” of **ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA** (hereinafter referred to as “the Company”)

1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

1.3 This Code for Board Members and Senior Management has been framed specially in compliance of the Guidelines of DPE.

1.4 It shall come into force with effect from the **1st April, 2013**

2. 2.0 Definitions and Interpretations:

2.1 The term “**Board Members**” shall mean Directors on the Board of Directors of the Company

2.2 The term “**the Company**” shall mean ‘Artificial Limbs Manufacturing Corporation of India’

2.3 The term “**Whole-time Directors**” or “**Functional Directors**” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the company.

2.4 The term “**Part-time Directors**” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.

2.5 The term “**Relative**” shall have the same meaning as defined in Sub Section (77) of Section 2 of the Companies Act 2013 (As indicated in **Annexure – I**)

2.6 The term “**Senior Management**” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including all functional heads.

Note: In this Code, words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3.0 Applicability

3.1 This code shall be applicable to the following personnel:

- a) All Whole-time Directors including the Chairman & Managing Director of the Company.
- b) All Part-time Directors including Independent Directors under the provisions of law.
- c) Senior Management

3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

4.0 Contents of Code

Part I General Moral Imperatives

Part II Specific Professional Responsibilities

Part III Specific Additional Provisions for Board Members and Senior Management

This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART-I

5.0 General Moral Imperatives

5.1 Contribute to society and human well-being

5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

5.1.2 Therefore, all Board Members and Senior Management who are accountable for the design, development, manufacture and promotion of Company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.2 Be honest and trustworthy & practice integrity

5.2.1 Integrity and honesty are essential components of trust. Without trust, an organisation cannot function effectively.

5.2.2 All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Public Enterprise.

5.3 Be fair and take action not to discriminate

5.3.1 The value of equality, tolerance, respect for others, and the principles of equity & justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4 Honour confidentiality

5.4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

5.4.2 All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about Company's business and affairs.

5.5 Pledge & Practice

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organisation and provide value-based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour.

PART II

6.0 Specific Professional Responsibilities

6.1 Live the Company's Vision, Mission and Objectives

Live the Vision, Mission and objectives of the Artificial Limbs Manufacturing Corporation of India are as under:

Mission

Restoration of Dignity of persons with Disabilities.

Vision

To attain and maintain the status of being largest manufacturer and supplier of state-of-the-art Assistive Devices at affordable cost for Persons with Disabilities in India and Abroad

Objectives

- To manufacture and supply quality Aids & Appliances at affordable cost.
- To set up and strengthen a network of Limb Fitting Centres and Dealers which would make the Aids & Appliances easily available to Persons with Disabilities.
- To maintain the status of largest ADIP Implementing Agency through Camp Activity, Headquarters activity, ADIP-SSA (ADIP-Sarva Shiksha Abhiyan) Activity, Special Camp Activity and Limb Fitting Centres Activity.
- To ensure that all Aids & Appliances supplied under ADIP scheme must bear ISI mark and must be durable, modern, sophisticated and scientifically manufactured.
- To establish collaboration with the premier institutions in India and abroad and carryout continuous Research & Development work to improve design of existing Aids and develop new state-of-art Assistive Devices at affordable prices.

6.2 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

6.3 Acquire and maintain professional competence

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

6.4 Compliance with Laws

The Company's Board Members and Senior Management shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.

6.5 Accept and provide appropriate professional review

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

6.6 Manage personnel and resources to enhance the quality of working life

Organisational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

6.7 Be upright and avoid any inducements

The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organisation or awarding a contract to an agency, etc.

6.8 Observe Corporate Discipline:

The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at decisions, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases, policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.9 Conduct in a manner that reflects credit to the Company

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organisation and by the public at large.

6.10 Be accountable to Company's stakeholders

All of those whom Corporation serve, be its customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Corporation to deliver in time and Society to which Corporation is responsible for its actions- are stakeholders of the Corporation. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.11 Identify, mitigate and manage business risks

It is everybody's responsibility to follow the Risk Management Framework of the Corporation to identify the business risks that surround function or area of operation of the Corporation and to assist in the company-wide process of managing such risks, so that Corporation may achieve its wide business objectives.

6.12 Protect properties of the Company

The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

PART III

7.0 Specific Additional Provisions for Board Members and Senior Management

7.1 As Board Members and Senior Management

They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

7.2.1 Undertake to inform the Chairman and Managing Director/Company Secretary of the Company of any changes in their other Board Positions, relationship with other business and other events/ circumstances/ conditions that may interfere with their ability to perform Board/ Board Sub-Committee duties or may impact the judgment of the Board as to whether they meet the independence requirements of Guidelines of DPE.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

-Related Party Transaction

Entering into any transactions or relationship with company or its subsidiaries, in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organisation with which they are associated).

-Outside Directorship

Accepting Directorship on the Board of any other Company that competes with the business of the Company.

-Consultancy /Business/Employment

Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provide or customer of the Company.

-Use of Official position for personal gains

Should not use their official position for personal gains.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All Members of the Board and Senior Management of Company to uphold and promote the principles of this code

The future of the organisation depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the organisation

Adherence of professionals to a code of ethics is largely and generally, a voluntary matter. However, if any of Board Members and Senior Management does not follow this code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.4 Miscellaneous Points

7.4.1 Continual updation of Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modification shall take effect prospectively from the date stated therein.

7.4.2 Where to seek clarifications

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact the Company Secretary/ any officer specifically designated by the Board of Directors.

7.4.3 All Board members and Senior Management personnel shall acknowledge the receipt of this Code in the acknowledgement form annexed to this Code (**Annexure – II**) indicating that they have received, read and understood, and agreed to comply with the Code and send the same to the Company Secretary/Compliance Officer. New Directors will sign such a declaration (Appendix – II) at the time of assuming their office of their directorship position.

7.4.4 The Annual Compliance Certificate shall be sent to the Company Secretary/Compliance Officer within 30 days of close of each financial year in the prescribed format – **Annexure – III**.

7.4.5 Company Secretary/Compliance Officer shall report breach of this Code, if any, which comes to his notice to the:

Board in case of all Board Members and,

Chairman & Managing Director in case of Senior Management personnel.

Definition of 'Relative'

Sub Section (77) of Section 2 of the Companies Act 2013 defines "Relatives" as below:

"Relative" means, with reference to any person, means any one who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

Further, as per rule 4 of the Companies (Specification of definitions details) Rules, 2014, a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

- (1) Father: Provided that the term "Father" includes stepfather.
- (2) Mother: Provided that the term "Mother" includes the stepmother.
- (3) Son: Provided that the term "Son" includes the stepson.
- (4) Son's wife.
- (5) Daughter.
- (6) Daughter's husband.
- (7) Brother: Provided that the term "Brother" includes the stepbrother;
- (8) Sister: Provided that the term "Sister" includes the stepsister

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA

I have received and read the Company’s Code of Business Conduct and Ethics for Board Members and Senior Management. I understood the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult the Director or Company Secretary concerned of the Company knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide affirmation of compliance with the Code of Business Conduct and Ethics on an annual basis to the Company within 30 days from the end of 31st March every year.

Signature _____

Name _____

Designation _____

Personal No. _____

Telephone No.../

Extn. No. _____

Place: _____.

Date: _____.

This acknowledgement shall be handed over to the Company Secretary/Compliance Officer’s office, immediately on receipt of the ‘Code of Business Conduct and Ethics for Board members and Senior Management of the Company

AFFIRMATION

**TO THE CODE OF BUSINESS CONDUCT AND ETHICS FOR
BOARD MEMBERS AND SENIOR MANAGEMENT OF
ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA**

(ANNUAL COMPLIANCE CERTIFICATE)

I, _____ (name) _____ (designation),
having read and understood the Code of Business Conduct and Ethics for Board Members
and Senior Management, hereby solemnly affirm that I have complied with and have not
violated any of the provisions of the Code during the year ended 31st March _____.

Signature _____

Name _____

Designation _____

Personal No. _____

Telephone No../

Extn. No. _____

Place: _____.

Date: _____.

**This Certificate is to be signed by the Board Members/Senior Management of the
Company and submitted the Company Secretary/Compliance Officer's office within 30
days of the close of each financial year.**
