

**CODE OF CONDUCT
FOR
BOARD MEMBERS, SENIOR MANAGEMENT PERSONNEL**

1.0 Introduction :

- 1.1 This Code of Conduct (“this Code”) shall be called “The Code of Conduct” for Board Members and Senior Management of Mahanagar Gas Limited (hereinafter referred to as “the Company”)
- 1.2 The purpose of this Code is to enhance further scope of good Corporate Governance with an ethical and transparent process in managing the affairs of the Company.
- 1.3 This Code of Conduct is prepared for ensuring compliance with the provisions of the Companies Act, 2013 (“The Act”) and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and such other regulatory provisions, as applicable.
- 1.4 It shall come into force with effect from the date the Board of Directors approves the Code of Conduct and the amendments to the code, if any, shall be effective from the date on which it is notified from time to time.

2.0 Definitions & Interpretations:

- 2.1 The term “**Board Members**” shall mean Directors on the Board of the Company.
- 2.2 The term “**Whole-time Director**” shall mean Member of the Board of Directors of the Company who is in the whole time employment of the Company, also known as “Executive Directors “.
- 2.3 The term “**Non-Executive Director**” shall mean any Director on the Board of the Company who is not in whole time employment of the Company.
- 2.4 The term “**Independent Directors**” shall mean an Independent Director as defined in Section 149 (6) of the Act and pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time.
- 2.5 The term “**Senior Management**” shall mean personnel of the Company who are Members of its core management team excluding Board of Directors. This would comprise of all Members of Management one level below the Managing Director, Whole Time Director, including all Head of the Departments directly

reporting to Managing Director or Whole Time Director and Key Managerial Personnel as defined under Section 2(51) of the Act.

2.6 The term “**Compliance Officer**” shall mean Company Secretary of the Company.

2.7 The term “**Relative**” shall mean ‘relative’ as defined in Section 2 (77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014.

2.8 In this code words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

3.0 Applicability:

3.1 The Code is applicable to:

- (i) All Board Members including the Managing Director, Whole-time Director, Non – Executive Directors and Independent Directors; and
- (ii) Senior Management of the Company

4.0 Key Requirements:

4.1 The Board Members and Senior Management, shall abide by the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulatory provisions, as applicable, and

- (i) shall act within the authority conferred upon them in the best interests of the Company and observe the following Code of Conduct :
- (ii) Shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Company as well representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations;
- (iii) Shall not involve in any situation in which he may have direct or indirect interest that conflicts with the interest of the Company;
- (iv) Shall not achieve or attempt to achieve any undue advantage or gain either to himself or to his relatives , partners or associates;

- (v) Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company;
- (vi) Shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Senior Management are expected to devote their full attention to the business interests of the Company;
- (vii) Shall not exploit for their own personal gain any of the opportunities that are discovered through Company's business, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors and its prior approval is obtained;
- (viii) Shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, consultants etc that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud;
- (ix) Shall comply with all applicable laws, rules and regulations, both in letter and spirit;
- (x) Shall not disclose any confidential information concerning the Company's business, its customers, suppliers etc. which is not in the public domain, and to which he / she has access unless authorised to do so and when disclosure is required on a need to know basis and / or as a matter of law;
- (xi) Shall protect the Company's assets including physical assets, information and intellectual rights and shall not use these for personal use or gain; and,
- (xii) Shall avoid conducting business or entering in to transaction with the following, being "related party", as per section 2(76) of the Act. :
 - (i) a Relative ;
 - (ii) a firm in which he or his relative is a partner;
 - (iii) a Private Company in which a Relative is a Member or Director;
 - (iv) a Public Limited Company in which he or he along with his relatives hold more than 2% of the paid up share capital;

- (v) any body corporate whose Board of Directors, Managing Directors or Manager are accustomed to act in accordance with the advice, direction or instructions of a director;
- (vi) any person on whose advice, direction or instructions a director is accustomed to act.
- (xiii) Shall not commit any offence involving moral turpitude or opposed to public policy resulting in conviction.
- (xiv) Shall act in accordance with the Articles of Association of the Company.
- (xv) Shall not assign his office.
- (xvi) Shall not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public or the management of the Company and its employees, including the stakeholders.

5.0 Compliance of Law

The Board Members and Senior Management Personnel shall comply with all applicable statutory laws, rules and regulations.

6.0 Other Directorships

Unless specifically permitted in advance by the Board, any member of the Board shall not accept the position of Director in any other Company or as a Partner of a Firm, engaged in a competing business with the Company. However this clause shall not be applicable in case of appointment of any person, nominated for appointment as a Directors by a financial institutions or Banks or by the Government, pursuant to such terms of appointment.

Senior Management Personnel shall obtain prior approval of the Board of Directors/Competent Authority for accepting Directorship of any company or partnership of a Firm during their association with the Company.

Existing Director/(s) who is/are holding the office of Director in a competing business entity shall disclose such interest to the Company and exclude themselves from participating in the matters of the Company which may lead to conflict of interest.

Every Director shall inform the Company about the directorships held in other companies and committee's positions he or she occupies in other companies and notify the changes as and when they take place.

Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.

Senior management shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity.

7.0 Insider Trading

The Board Members and Senior Management Personnel shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Insider Trading Code of the Company and shall abide by rules, regulations made thereunder.

8.0 Related Party Disclosures

The Board Members shall make disclosure of their interest in related party transaction to the Board of Directors. Senior Management Personnel shall make such disclosure to the Managing Director/Competent Authority as per provision of the Companies Act, 2013 and Rules/Regulations made thereunder.

9.0 Independent Directors

In addition to the general code of conduct for the Directors and other personnel referred to in this code, the following guidelines of conduct shall also be complied with by the Independent Directors:

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

- (5) not allow any extraneous considerations that will vitiate his 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 his 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 his 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 for Independent Directors:

The Independent Directors shall:

- (1) help 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) scrutinise the performance of management in achieving agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the 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 and recommend appropriate levels of remuneration of Whole Time Directors, key managerial personnel and senior management and have a prime role in appointing and in their removal whenever necessary and required.
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and stakeholder's interest.

III. Duties of Independent Directors :

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their 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 of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) 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;
- (7) keep themselves 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 themselves 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his 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.

IV. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

V. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

10.0 Enforcement of Code of Conduct :

- 10.1 The Compliance Officer shall be the coordinator for the purpose of this Code.
- 10.2 Each Board Member and Senior Management shall be accountable for fully complying with this Code.

This code of conduct shall be applicable to existing Board members and Senior Management till the time of their association with the Company.

Further this code of conduct shall also be applicable to Board members and Senior Management for a period of 2 years post their cessation / resignation from the Company.

This code of conduct shall be applicable subject to such amendments made from time to time and shall also cover any action on any person referred in this code during his association with the Company in any manner.

10.3 Breach, if any, of this Code shall be reported to :

- (i) Board of Directors in case of any Board Member; and,
- (ii) Managing Director in case of Senior Management

10.4 Penalty for breach of this Code by Senior Management Personnel shall be determined by the Managing Director and reported to the Board of Directors in the subsequent meeting. In case of breach of this Code by any Board member, the same shall be examined by the Board of Directors and appropriate action shall be initiated as adequate and necessary.

10.5 An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Companies Act, 2013 and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other regulations, as applicable.

11.0 Amendments to the Code :

11.1 The provisions of this Code may be amended by the Board of Directors of the Company from time to time.

12.0 Insertion of the Code in Website :

12.1 This Code and any amendments thereto shall be posted on the website of the Company.

13.0 Affirmation of Compliance of the Code:

13.1 All the Board Members and Senior Management shall within 30 days of close of every financial year affirm compliance with this Code. A Performa of Annual

Compliance Report is annexed to this Code as (**Appendix - I**). The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company. A declaration shall be contained in the Annual Report of the Company to this effect signed by the Managing Director.

14.0 Acknowledgement of Receipt of the Code:

14.1 All Board Members and Senior Management shall acknowledge the receipt of this Code in the acknowledgement form annexed to this Code (**Appendix - II**) indicating that they have received the Code and send the same to the Compliance Officer. Upon revision of this Code, the Board Members and Senior Management shall execute an acknowledgement of the revised Code.

15.0 Declaration form Board of Directors

15.1 All Board of Directors shall ensure compliance with RBI circular No. DBOD.No.Dir.BC.14/13.03.00/2013-14 dated July 01, 2013 as amended from time to time with respect to following:-

- i.* none of the directors of the Company, is a director or specified near relation of a director of a banking company.
- ii.* none of the directors of the Company, is a relative of any senior officer of the bank.
- iii.* the declaration should also give details of the relationship of the borrower to the director of the bank.”

All Board Members shall affirm compliance of aforesaid RBI circular in form annexed to this code (**Appendix-III**) within 30 days of close of every financial year.

APPENDIX - I

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

ANNUAL COMPLIANCE REPORT

Date : (not later than 30th April, every year)

To,

The Company Secretary,
Mahanagar Gas Limited,
Mumbai

Dear Sir,

I,, being a Director *Or
(designation and being a member of the Senior Management)*
or (designation and being a member of the Management Personnel)* of the Company,
hereby solemnly that I have, in letter and in spirit and to the best of my knowledge and
belief, complied with the provisions of the “The Code of Conduct” for Board Members,
and Senior Management of the Company during the financial year ending 31st March ,
.....

Signature :

Name :

*strike off whatever is not applicable

APPENDIX - II

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

ACKNOWLEDGEMENT FORM

Date :

From :

Name

Address.....

To,

The Company Secretary,
Mahanagar Gas Limited,
Mumbai

Dear Sir,

I,....., being a Director* or
(designation and being a member of the Senior Management)* or (designation and
being a member of the Senior Management Personnel)* of the Company, hereby
acknowledge that I am in receipt of the "The Code of Conduct" for Board Members and
Senior Management of the Company .

Name:

Signature:

*strike off whatever is not applicable

APPENDIX - III

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

**Declaration for compliance of RBI Circular No. DBOD.No.Dir.BC.14/13.03.00/2013-14
dated July 01, 2013, or as amended from time to time.**

Date :

To,

The Company Secretary,
Mahanagar Gas Limited,
Mumbai

Dear Sir,

I,....., being a Director of the
Company, hereby solemnly confirm the following:-

- a. I am not a director or specified near relation (as specified by RBI) of a director or senior officer of a Banking Company (including Scheduled Co-operative Bank, subsidiaries/trustees of mutual funds/venture capital funds)
- b. No suit/case is pending before any court of law against me. My name is not appearing in CIBIL and RBI Caution List and or Defaulters list.

Name:

Signature:

*strike off whatever is not applicable