

Code of Conduct

1. Compliance Officer

- 1.1 The company has appointed the Company Secretary as the Compliance Officer who shall report to the Managing Director/ Whole Time Director/ Chief Executive Officer.
- 1.2 The Compliance Officer shall be responsible for monitoring adherence to the relevant SEBI Regulations for trading of the Company's shares by insiders and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.

Explanation: For the purpose of this Code, the term 'Insider' shall mean:

1 Directors

2 Employees comprising the top two tiers of the Company management and key employees in the Finance Department.

3 Employees as may be designated by the Company from time to time to whom these trading restrictions shall be applicable, keeping in mind the objectives of this Code of Conduct.

- 1.3 The Compliance Officer shall maintain a record of the insiders and any changes made in the list of insiders.
- 1.4 The Compliance Officer shall assist all the insiders in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct.

2. Preservation of Price Sensitive Information

- 2.1 The Insiders shall maintain the confidentiality of all Price Sensitive Information under publication thereof. 'Price Sensitive Information' means any information, which relates directly or indirectly to the Company and which, if published, is likely to materially affect the price of shares of the Company. The information listed in para 3.2.2 hereinafter appearing shall be deemed to be Price Sensitive Information. The insiders shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
- 2.2 Need to know
 - 1** Price Sensitive Information is to be handled on a "need to know" basis, i.e. such information should be disclosed only to those within the Company who need the information to discharge their duty.

2.3 Limited access to confidential information

- 1 Price Sensitive Information is to be handled on a "need to know" basis, i.e. such information should be disclosed only to those within the Company who need the information to discharge their duty.

3. Prevention of misuse of Price Sensitive Information

3.1 All insiders shall be subject to trading restrictions as enumerated below:-

3.2 Trading window

- 1 For the purpose of the Code, the term "Trading Window" shall mean the period during which trading in the Company's Shares by insiders shall be permissible.
- 2 The Trading Window shall remain closed during the time when the following price sensitive information, although in the knowledge of the insiders, remains unpublished:-
 - Periodical Finance Results (quarterly, half-years and annual)
 - Proposals for declaration of dividends (interim or final)
 - Proposals for issue of shares (public/ rights/ bonus) or buy-back of shares
 - Any major expansion plans or new projects
 - Proposals for amalgamation or takeover
 - Proposals for disposal of the whole or a substantial part of the Company's undertaking
 - Any significant changes in policies and plans relating to operations of the Company
- 3 The Trading Window shall become open after the expiry of 48 hours from the time of publication of the information referred to in para 3.2.2.
- 4 Insiders shall not trade in the shares of the Company when the Trading Window remains closed.

3.3 Pre-clearance of Trades

- 1 Insiders of the Company who intend to deal in the shares of the Company in quantities aggregating to 5000 shares or more during any period of 30 days in one or more transactions should pre-clear the transaction as per the pre-dealing procedure as described hereunder.
- 2 An application may be made on plain paper to the Compliance Officer indicating the estimated number of shares that the insider intends to deal in, the depository with which he/she has an account and the details as to his/her shareholding before and after the intended transaction.
- 3 The application shall contain an undertaking to the effect:

- That the applicant does not have any access to or has not received any Price Sensitive Information upto the time of making the application.
- That in case the applicant has access to or received Price Sensitive Information after making the application but before the execution of the transaction he/ she shall inform the Compliance Officer of the change in his/ her position and that he/she would completely refrain from dealing in the shares of the Company till the time such information becomes public.
- That he/ she has not contravened any provision of the Code of Conduct.
- That he/she has made a full and true disclosure of the matter.

4. Other restrictions

- 4.1 The Insiders shall execute their order in respect of shares of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given the person must pre clear the transaction again.
- 4.2 The Insiders shall hold their investments in shares for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall also apply to subscription in the primary market (IPOs.) In the case of IPOs, the holding period would commence when the shares are actually allotted.
- 4.3 In case the sale of shares is necessitated by personal emergency, the Compliance Officer may waive the holding period after recording in writing the reasons for such waiver.

5. Other restrictions

- 5.1 All Insiders shall be required to forward the following details of their transactions in the Company's shares to the Compliance Officer within a fortnight of entering into the transaction:-

Date of transaction

- 1** Nature of transaction (Sale or Purchase)
- 2** Number of shares, sold or purchased
- 3** Price at which transacted
- 4** Name of Stock Exchange where transacted

- 5.2 The Compliance Officer shall keep a record of the particulars furnished by the Insiders in terms of para 5.1 above for a period of 3 years.

6. Penalty for contravention of Code of Conduct

- 6.1 Any Insider who trades in shares or communicates any information for trading in shares in contravention of the Code of Conduct may be penalised and the Company may take appropriate action.
- 6.2 Insiders who are employees and violate the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze and suspension.
- 6.3 The action by the Company shall not preclude SEBI from taking any action in case of any violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.

7. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

- 7.1 In case it comes to the knowledge of the Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, he shall keep SEBI informed about such violation.

Directors

Code of Conduct for Directors

Preamble

Directors are appointed by Shareholders to manage the Company on their behalf and to act for their benefit and in the interests of the Company. Accordingly, Directors have a fiduciary relationship with the Company. Their fiduciary duties arising from such relationship are akin to those of a trustee, and they are expected to display utmost good faith in their dealings on behalf of the Company or with the company. They are also not expected to use any of the Company's assets or information relating to its business, which may come to their control or possession in order to gain any advantage to themselves at the cost of the Company or its shareholders.

In addition to their fiduciary duties, Directors owe a duty of care to the Company not to act negligently in the management of its affairs, the standard of care being that of a prudent and reasonable man looking after his own affairs.

These fiduciary duties and the duty of care, however, are towards the Company comprising the shareholders collectively as a corporate body and not to any shareholder individually.

Code of Conduct

Based on the above principles the Directors of McNally Sayaji Engineering Limited ("The Company") are expected to observe the following Code of Conduct :-

Disclosure of Interest and Avoidance of Conflict of Interest

A Director has a duty to disclose his direct or indirect interest in relation to any contract or arrangement or proposed contract or arrangement entered into or to be entered into by the Company. For this purpose, he is required to make a general disclosure of interest every year giving a list of companies and firms in which he shall be deemed to be interested indicating his nature of interest, with changes, if any, notified to the Board from time to time. In addition, except with the prior consent of the Board, a Director or a firm in which such Director is a partner or a private company in which such Director is a member or Director shall not enter into any contract with the Company having monetary implications.

Directors shall inform the Board of Directors of the Company before accepting any position of influence or of pecuniary interest including directorship in any other organisation whose business is in direct competition with that of the Company-

1. Investment in Shares of the Company/ Code for prevention of Insider Trading

A Director is required to disclose his investments in the Company and in its holding Company or subsidiary, if any, and changes therein, if any, from time to time.

Directors shall not deal in the Company's securities or a short-term basis. They have to accept that they are not at all times free to deal in the Company's securities and they are bound by the Company's 'Code of Conduct for Prevention of Insider Trading.'

2. Not to make secret profit

A Director shall not make any secret profit out of his position. If a Director receives information on a potential business opportunity in his capacity as a Director of the Company he shall not use that opportunity for his own purpose.

3. Confidentiality

Directors shall keep confidential and not divulge directly or indirectly any information (except what is in the public domain) relating to the Company, its intellectual properties, its business and its customers/ vendors which they have become aware of in the course of their directorship either by knowledge derived in the course of participation in Board Meetings/ Committee Meetings or from papers circulated to them as Director. Directors shall not also make use of such information for any purpose other than for the benefit of the Company.

4. Not to contract individually

A Director shall not act on behalf of the Company with any party or commit himself on behalf of the Company in regard to any arrangement or contract of a binding nature unless specifically authorised by the Board in that behalf.

5. Voting

When a Director exercises his voting right as a shareholder at any general meeting of the Company he is free to vote in his own best interest like any other shareholder. However, when a Director votes as a Director in any Board Meeting or Committee Meeting he does so

in his fiduciary capacity and is bound to vote not in his own personal interest but in what he considers to be the best interest of the Company.

6. Employee Directors

A Whole-time Director who is an employee of the Company shall, in addition to the above, be bound by the terms and conditions of his employment with the Company. He has to wholeheartedly devote his time and attention to the affairs and business of the Company within his limit and has to ensure all legal compliances on behalf of the Company in the area of work for which he has been made responsible.

Personnel

Code of Conduct for Personnel

Preamble

Senior Management Personnel comprising employees at the level just below Whole-time Directors and holding positions such as Senior/ Vice President and General Manager from the core executive management team of the Company. Working under the superintendence, control and guidance of the Managing director/ Whole-time Directors, they are responsible for implementation of all management decisions concerning the operations of the Company and for achieving its business objectives. While doing so, they have to uphold and protect the Company's reputation for integrity and fair dealing and to set examples within the Company.

Code of Conduct

Based on the above principles the Senior Management Personnel of McNally Sayaji Engineering Ltd. ('The Company') are expected to observe the following Code of Conduct:-

1. Avoidance of Conflict of Interest

Senior Management Personnel having financial, personal or family interest in a vendor, customer or competitor shall make such interest known to their immediate superiors and shall abstain from the decision-making process related to such vendor, customer or competitor. For this purpose 'family' will mean spouse, children, brothers, sisters and parents.

2. Business Integrity and Ethics

Senior Management Personnel shall adhere to the highest standard of integrity and ethics in discharge of their functions. While exercising the authorities and discharging the responsibilities assigned to them they are expected to conduct themselves in such a manner as to avoid any act which may bring embarrassment to the company.

3. Terms and Conditions of Employment and Legal Compliance

Senior Management personnel shall strictly comply with the terms and conditions of their employment with the Company including the Rules and Regulations as applicable to them in accordance with the Company's HR policy as in force from time to time. They shall provide the necessary support to the Managing Director and Whole-time Directors in ensuring that all

national and local laws, regulations and customs in the areas falling within their respective limit are complied with.

4. Investment in Shares of the Company/ Code for prevention of Insider Trading

Senior Management personnel shall not deal in the Company's securities on a short term basis. They have also to accept that they are not free to deal in the Company's securities at all times and they are bound by the Company's 'Code of Conduct for prevention of Insider Trading' which shall be deemed to be a part of this 'Code of Conduct'.

5. Not to make secret profit

Senior Management personnel shall not make any secret profit out of their position. If they receive information on a potential business opportunity in their official capacity they shall not use that opportunity for their own purpose.

6. Confidentiality

Senior Management personnel shall keep confidential and not divulge directly or indirectly any information (except what is in the public domain) relating to the company, its intellectual properties including technology and business processes, its business and its customers/ vendors which they have become aware of in the course of their employment with the Company. They shall not also make use of such information for any purpose other than for the benefit of the Company.

7. Non-compete Confidentiality

Without taking prior consent of the Company, Senior Management personnel shall not accept any position of influence or of pecuniary interest in any other organisation whose business is in direct competition with that of the Company.

Code of practices and procedures for fair disclosure of unpublished price sensitive information

Background:

The Securities and Exchange Board of India ("SEBI"), in its endeavour to put in place a framework for prohibition of insider trading in securities, had notified the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ("Regulations"). These Regulations are applicable to all companies whose securities are listed or proposed to be listed on stock exchanges. In terms of Regulation 8(1) of the Regulations, the board of directors of these companies are required to formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to the Regulations.

Further, SEBI, on December 31, 2018 notified various amendments to the Regulations, which will come into force on and from April 1, 2019. Regulation 3(2A) read with Regulation 3(1) of the Regulations, inter alia, mandates the board of directors of a listed company or a "proposed to be listed" company (within the meaning ascribed to it in Regulation 2(b) of the Regulations) to make a policy for determination of "legitimate purposes" in the context of

sharing. of unpublished price sensitive information ("UPSI", as more particularly described below), as a part of its code of fair disclosure and conduct formulated under regulation 8 of the Regulations.

In order to reflect the amendment notified by SEBI vide the aforesaid Regulations, this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, (the "Code") is being amended to bring it in line with the amended Regulations.

Objective:

The Company endeavours to preserve the confidentiality of UPSI and to prevent the misuse of such information. Accordingly, this Code has been formulated with a view to maintain uniformity, transparency and fairness in dealing with all stakeholders and to ensure timely, fair and adequate disclosure of UPSI to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

Definitions

- 1 "Unpublished price sensitive information (UPSI)" means any information, relating to a company or its securities (whether listed or unlisted), directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to financial results, dividends, change in capital structure, mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other similar transactions and changes in key managerial personnel.
- 2 "Generally available information" means information that is accessible to the public on a non-discriminatory basis.
- 3 "Legitimate purpose" shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the regulations.
- 4 "Insider" Any person in receipt of UPSI pursuant to a "Legitimate purpose" (as defined above) shall be considered as an "insider" for the purpose of this Code and such persons shall maintain confidentiality of such UPSI in compliance with this Code as well as the MBECL Code of Conduct to Regulate, Monitor and Report Trading by Insiders and the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Code:

The Company will adhere to the following so as to ensure fair disclosure of events and occurrence that could impact price discovery in the market for its securities:

- 1 The Company will.-make prompt public disclosure to the stock exchanges of any UPSI that would impact price discovery, no sooner than credible and -concrete information comes into being, in order to make such information generally available. The Company may, in appropriate circumstances, also simultaneously disclose the

UPSI in such manner as it deems fit including on the Company's website, print or electronic media or social media.

- 2 The Company will make uniform and universal dissemination of UPSI to avoid selective / speculative disclosure which could have an adverse impact on the market and the price discovery process.
- 3 The Company Secretary / Head of Investor Relations of the Company shall act as the Chief Investor Relations officer to deal with dissemination of information and disclosure of UPSI.
- 4 The Company will make prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 5 The Company will provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 6 The Company will ensure that information, if any, shared with analysts and research personnel during meetings/discussions/conferences, is not UPSI.
- 7 As a means of following best practices in respect of meetings with analysts and other investor relations conferences and to ensure official confirmation and documentation of disclosures are made in conformity with the Regulations, the Company will:
 - a) Make transcripts or records of proceedings of meetings with analysts and other investor relations conference available on the official website of the Company, where the Company considers necessary;
 - b) Endeavour that at least 2 company representatives be present at meetings with analysts, brokers, institutional investors and research personnel;
 - c) In appropriate circumstances, consider posting of relevant information on its website or issuing a press release or disseminating information in any other mode it deems appropriate in relation to meeting with analysts.
- 8 All UPSI shall be handled within the Company strictly on a need to-know basis i.e. all UPSI may be disclosed only where such disclosure is in furtherance of (i) "legitimate purposes", as defined in this Code; (ii) discharge of legal obligations or (iii) to those within the Company who need the UPSI to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

CRITERIA FOR DETERMINATION OF LEGITIMATE PURPOSE FOR SHARING OF UPSI:

The sharing of UPSI shall be considered as for legitimate purposes, if it is in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the

prohibitions of the Regulations, this Code or the MBECL Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

MAINTENANCE OF STRUCTURED DIGITAL DATABASE

A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared under this Code or the a Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The databases shall be maintained with utmost confidentiality and the access to such database shall be restricted only for the purposes of implementing fair practices under this Code. DISSEMINATION This Code, including any amendment thereto, shall be published on the Company's official website and shall be promptly intimated to the stock exchanges where the securities are listed.

The Board of Directors may lay down further principles, rules and procedures, from time to time, to ensure fair disclosure of unpublished price sensitive information.