



SPMCIL

CODE OF BUSINESS
CONDUCT & ETHICS - 2010

भारत प्रतिभूति मुद्रण तथा मुद्रा निर्माण निगम लिमिटेड

Security Printing and Minting Corporation of India Limited

मिनिरत्न श्रेणी-I, सीपीएसई

Miniratna Category-I, CPSE

(भारत सरकार के पूर्ण स्वामित्वाधीन)

(Wholly owned by Govt. of India)

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**SPMCIL CODE OF BUSINESS CONDUCT AND ETHICS
FOR
BOARD MEMBERS & SENIOR MANAGEMENT – 2010**

1. SHORT TITLE & COMMENCEMENT:

- 1.1 This Code of Business Conduct & Ethics (“this Code) shall be called "SPMCIL Code of Business Conduct & Ethics 2010".
- 1.2 “This Code” is in alignment with the Company’s vision and values to achieve the Mission & Objectives and aim at enhancing ethical and transparent process while transacting business and affairs of the Company.
- 1.3 It shall comes into force for the date of approval of the Board of Security Printing and Minting Corporation of India Limited (SPMCIL).
- 1.4 The Company has recently notified Conduct, Discipline & Appeal Rules ("CDA Rules"), which govern the conduct of all regular employees of the Company, deputationist and also Whole-time Directors but excluding Non-Functional Directors and those governed by the Standing Orders under the Industrial Employment (Standing Orders) Act, 1946. For the Whole-time Directors and senior management personnel this Code is to be read in conjunction with the CDA Rules.



2. DEFINITIONS AND INTERPRETATIONS:

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below :

- 2.1 "Board Members" shall mean Directors on the Board of the Company.
- 2.2 "Whole-time Directors" or "Functional Directors" shall be the Directors who are in whole-time employment of the Company.
- 2.3 "Part-time Directors" shall mean Directors on the Board of the Company who are not in whole time employment of the Company.
- 2.4 "Relative" shall have the same meaning as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956 (Refer Appendix-I).
- 2.5 "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, which includes General Managers and all Head of the Units.
- 2.6 "The Company" shall mean Security Printing and Minting Corporation of India Limited incorporated under the Companies Act, 1956 and having its Registered Office at New Delhi.



2.7 The term “Conflict of Interest” means where the interest or benefit of one person or entity conflict with the interest or benefits of the Company.

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. APPLICABILITY:

3.1 This code shall be applicable to the following personnel of the Company:

- a) All Whole-time Directors including the Chairman and Managing Director of the Company.
- b) All Part-time Directors including Independent Directors under the provisions of law.
- c) Senior Management Personnel which includes General Managers and the Head of the Units of SPMCIL.

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 in addition to 'SPMCIL Code of Business Conduct & Ethics - 2010'.

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

This principle concerting 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 to make others aware of both a legal and moral responsibility for the safety and the protection of human life and environment.

5.2 Be honest and trustworthy and practice integrity

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization 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 Company.

5.3 Be fair and take action not to discriminate

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 business and affairs of the Company.

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 organization 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 Vision, Mission and Values of the Company each day

Live the Vision, Mission and Values of Security Printing and Minting Corporation of India Ltd. (SPMCIL) each day. For quick reference they are as under :



6.2 **Strive to achieve the highest quality, effectiveness and dignity in both the processors 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 Board Members and Senior Management shall comply with all the applicable provisions of existing local, state, national, and international law. 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**

Organizational 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 the 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/or other connections, solicit any personal fee, commission or other form of remuneration/gains/profits 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 Company 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 a decision, 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 behavior has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

6.10 Be accountable to Company's stakeholders

All of those whom we serve, be it our 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 Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.11 Protect properties of the Company

The Board Members and the Senior management of



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

6.12 Identify, mitigate and manage business risks

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

PART – III

7.0 SPECIFIC ADDITIONAL PROVISIONS FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY:

7.1 As Board Members and Senior Management of the Company

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/Asstt. 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 Committee duties or may impact the judgment of the Board.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid conflict of interest. The term "Conflict of Interest" means where the interests or benefits of one person conflict with the interests or benefits of the Company. Illustrative cases can be:-

a) **Related Party Transactions**

Entering into any transactions or relationship with Company 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 organization with which they are associated).

b) **Outside Directorship**

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

c) **Consultancy/ Business/ Employment**

Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment or self 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 provider, vendors or customer of the Company.

d) **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 shall uphold and promote the principles of this code. The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior management to adhere to the principles expressed 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 organization**

Adherence of professional 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**

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/ modifications shall take effect prospectively from the date of notification.

7.4.2 **Where to seek clarifications**

Any Member of Board or Senior Management requiring any clarification regarding this Code of Conduct may contact Head of HR in the Corporate Office / Asstt. Company Secretary / any officer specifically designated by the Board of Directors in this regard.

8.0 **ACKNOWLEDGEMENT OF RECEIPT OF THE CODE OF BUSINESS CONDUCT & ETHICS -2010**

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgment form as at Appendix-II and forward the same to Asstt. Company Secretary indicating that they have received, read, understood and agreed to comply with this Code.

9.0 **ANNUAL COMPLIANCE REPORTING**

9.1 All Board Members shall affirm compliance of this Code within 30 days of close of every financial year. A



proforma of Annual Compliance Report is at Appendix III. The Annual Compliance Report shall be forwarded to the Asstt. Company Secretary. If any Director /Senior Management Personnel leaves the Company during a financial year, he shall send a communication to the Assistant Company Secretary affirming compliance of the code till the date of his association with Company.

9.2 CMD of the Company and the whole time Finance Director or any other person heading the Finance function shall certify to the Board that there are, to the best of their knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of this code.

10.0 **MISCELLANEOUS**

Board reserves the right to modify cancel or amend any of the rules without prior notice.



Appendix-I

**SPMCIL CODE OF BUSINESS CONDUCT AND ETHICS
(For Board Members & Senior Management Personnel)**

EXTRACT OF SECTION 6 OF THE COMPANIES ACT, 1956

Meaning of “relative”

A person shall be deemed to be a relative of another if,
and only if,-

- a) They are members of a Hindu undivided family; or
- b) They are husband and wife; or
- c) The one is related to the other in the manner indicated in Schedule IA.



Appendix-II

**SPMCIL CODE OF BUSINESS CONDUCT AND ETHICS
(For Board Members & Senior Management Personnel)**

ACKNOWLEDGEMENT FORM

I, (Name)
.....(Designation), have received
and read the Company's "CODE OF BUSINESS
CONDUCT & ETHICS" as applicable to Board Members
and Senior Management Personnel ("This Code"). I have
understood the provisions and policies contained in this
Code and I agree to comply with this code.

Signature :

Name :

Designation :

Date :

Place :



LIST OF RELATIVES

1. Father
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter (including step-daughter)
6. Father's father
7. Father's mother
8. Mother's mother
9. Mother's father
10. Son's son
11. Son's son's wife
12. Son's daughter
13. Son's daughter's husband
14. Daughter's husband
15. Daughter's son
16. Daughter's son's wife
17. Daughter's daughter
18. Daughter's daughter's husband
19. Brother (including step-brother)
20. Brother's wife
21. Sister (including step sister)
22. Sister's husband



Appendix-III

**SPMCIL CODE OF BUSINESS CONDUCT AND ETHICS
(For Board Members & Senior Management Personnel)**

ANNUAL COMPLIANCE REPORT

I do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF BUSINESS CONDUCT & ETHICS during the financial year ending 31st March,

Signature :

Name :

Designation :

Date :

Place :

* To be submitted by 30th April each year.