

GAYATRI HIGHWAYS LIMITED

CODE OF ETHICS AND BUSINESS CONDUCT

INTRODUCTION

This code of Ethics for Principal Executive and Senior Financial Officers (the “Code”) helps maintain the standards of business conduct for Gayatri Highways Limited (the “Company”) and compliance with legal requirements.

It is endeavored to evolve a “Governance Code” based on the principles of Good Corporate Governance and best management practices being followed globally besides complying the needs of law of land. The purpose of the code is to deter wrong doing and promote ethical conduct.

The Code of Ethics and Business Conduct of the Company is based on the following fundamental principles:

- Lay solid foundations for management.
- Structure the Board to add value.
- Promote ethical and responsible decision-making.
- Safeguard integrity in financial reporting.
- Make timely and balanced disclosures.
- Recognize and manage business risks.
- Respect the rights of the shareholders.
- Encourage enhanced performance.
- Remunerate fairly and responsibly.
- Recognize the legitimate interest of the stakeholders.
- Legal and Statutory compliances in letter and spirit.

Nothing in this code, in any Company policies and procedures, or in other related communications (Verbal or Written), creates or implies an employment contract or term of employment.

APPLICABILITY

This code is applicable to the following persons of the Company referred as Officers:

1. Chairman and Managing Director
2. Whole time Directors
3. All other Board of Directors
4. All the officers of the company in the rank and above of Managers including all the Head of Departments
5. Company Secretary, and
6. Designated Employees

As ethical business conduct is critical to business, officers are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with: all applicable laws; rules and regulations; the code of conduct; and all applicable policies and procedures adopted by the Company that govern the conduct of its employees.

HONEST AND ETHICAL CONDUCT

The Company expects all officers to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other places where officers are representing the Company.

The Company considers honest conduct to be a conduct that is free from fraud or deception. Ethical conduct to be a conduct that is confirming to the accepted professional standards of

conduct and includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

CONFLICTS OF INTEREST

An officer's and employee's duty to the Company demands that he or she avoids and discloses actual and apparent conflicts of interests. A conflict of interest exists where the interest or benefits of one person or entity conflict with the interests or benefits of the Company. The situations can arise:

- a. When an employee, officer, or director takes action or has interests that may make it difficult to perform his or her work objectively and effectively,
- b. The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,
- c. Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,
- d. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
- e. Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,
- f. Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

The directors, officers and employees should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Board of directors or any Committee /

officer nominated for this purpose by the Board and a prior written approval should be obtained. Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his or her immediate superior, who shall forward the information along with comments to the person designated for this purpose by the Chief Executive Officer, who in turn will place it before the Chief Executive Officer and/or the Board of Directors Executive Committee appointed by the Board and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If an employee or an officer fails to make a disclosure as required herein, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee or the officer, the management would take a serious view of the matter and consider suitable disciplinary action against the employee or the officer.

COMPLIANCE WITH GOVERNMENT LAWS, RULES AND REGULATIONS

The Directors, Officers and Employees of the Company shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers and to know when to seek advice from higher authorities / outside experts. Violations of applicable governmental laws, rules and regulations may subject them to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

CONFIDENTIALITY

The Directors, Officers and Employees shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or

harmful to the Company or its associates. The use of confidential information for his/her own advantage or profit is also prohibited.

FAIR DEALINGS

The Directors, Officers and Employees should deal fairly with customers, suppliers, competitors, and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing practices. Inappropriate use of proprietary information, misusing trade secret information that was obtained without the Company or the Board consent, or inducing such disclosures by past or present employees of other companies is prohibited. An Officer must perform his or her duties in good faith, acting honestly, free from the intention to defraud.

PROTECTION AND PROPER USE OF COMPANY'S ASSETS

All Directors, Officers and Employees should protect Company's assets and property and ensure its efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. Company's assets should be used only for legitimate business purposes. Inappropriate use of proprietary information, misusing trade secret information that was obtained without the Company or the Board consent, or inducing such disclosures by past or present employees of other companies is prohibited. An Officer must perform his or her duties in good faith, acting honestly, free from the intention to defraud.

COMPLIANCE WITH CODE OF CONDUCT

If any Director, Officer and Employee who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of conduct, he/she must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the

overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation.

Violations of this Code of Ethics will result in disciplinary action, which may even include termination of the services. The Company's Board or any Committee/person designated by the Board for this purpose shall determine appropriate action in response to violations of this Code of Ethics.

CORPORATE OPPORTUNITIES

The Directors, Officers and Employees shall not exploit for their own personal gain, opportunities that are discovered through the use of Company Property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of directors and if the Board declines to pursue such opportunity, they are expressly prohibited from competing directly with the business of the Company or with any business that the Company is considering.

SECURITIES TRANSACTIONS AND CONFIDENTIAL INFORMATION

The Directors, Officers and Employees of the Company and his or her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constitutes insider information.

The Directors, Officers and Employees of the Company shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the respective company (ies) on which such insider information has been obtained.

Such insider information might include the following:

- periodical financial results of the Company;
- acquisition and divestiture of businesses or business units;
- financial information such as profits, earnings and dividends;
- announcement of new product introductions or developments;
- asset revaluations;
- investment decisions/plans;
- restructuring plans;
- changes in KMP
- major supply and delivery agreements;
- raising finances;
- issue of new securities and buy back of its own shares;
- expansion/new projects;
- disposal of whole or substantial part of the Undertaking; and
- amalgamation, merger or takeover.

CODE OF INDEPENDENT DIRECTORS

A. Guidelines of professional conduct of independent directors as per Schedule IV of the Companies Act, 2013

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.

B. Role and functions of independent directors as per Schedule IV of the Companies Act, 2013

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 meeting 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 appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

C. Duties of independent directors as per Schedule IV of the Companies Act, 2013

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.

INTERPRETATION OF CODE

Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person / committee authorised by the Board of the Company. The Board of Directors / CEO / or any designated person / committee has the authority to waive compliance with this Code of business conduct for any director, officer or employee of the Company. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the designated person/ committee.

WAIVERS AND AMENDMENTS OF THE CODE

The Company is committed to continuously reviewing and updating the policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors / Chief Executive Officer of the company and promptly disclosed on the Company's Website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of such amendment or waiver.

As adopted by the Board of Directors of Gayatri Highways Limited on 7th February, 2018.

ACKNOWLEDGMENT OF RECEIPT OF COMPANY'S CODE OF ETHICS

I have received and read the Company's Code of Ethics and Business ("the Code"). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult Secretarial and Legal Department and that my questions or reports to these sources will be maintained in confidence.

Name of the Director / Officer / Employee

Signature

Date

Please sign and return this form to Secretarial Department.