

**Code of Conduct****PREAMBLE**

Sona BLW Precision Forgings Limited and its subsidiaries ("**Company**") is committed to adopt sound business and Corporate Governance practices. It believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and in compliance with all applicable laws.

This Code of Business Conduct ("**Code**") is designed to set certain standards of conduct for all employees and officers of the Company. The Company has also framed a Code of Conduct for its Vendors, as attached herewith and the Vendors undertake to comply the same. This Code does not cover every issue that may arise; but sets out basic principles to guide all Stakeholders in carrying out their business duties.

"Vendor(s)" for the purpose of this Code shall mean and include all suppliers/ contractors/ services providers and consultants that provides, sells or seeks to sell, any kind of goods or services to the Company, including their respective employees, agents and other representatives.

OBJECTIVE OF THE CODE

This Code is designed to deter wrongdoings and promote, amongst others (a) honest and ethical conduct, including ethical handling of actual or apparent conflicts of interests (b) full, fair, timely and accurate disclosure in reports and documents (c) compliance with applicable laws, rules and regulations (d) prompt internal reporting of the violations of this Code and (e) accountability for adherence to this Code.

1. COMPLIANCE WITH THE LAW AND POLICIES

Compliance with the Law is the basic principle underlying the Company's policy. All employees and officers are expected to respect and comply with laws and regulations that apply to them. The Company's operations are subject to the applicable laws and regulations. Although, not all employees and officers are expected to be specialized in the various laws and regulations that apply to her/his business activities, it is important to know when to seek advice from colleagues or superiors. Ignorance of this Code will not be accepted as an excuse for not following it.

Beyond compliance, all employees and officers of the Company are expected to carry out their duties with integrity and meet the highest standards of professional conduct in their dealings with the Company's clients, suppliers, governmental bodies and partners. Employees and officers should ensure that all partners and suppliers are treated with fairness, with selection criteria being objective and transparent such as quality, cost or delivery deadlines with respect to a supplier.

a. Compliance with Law on Corruption

It is prohibited for any person to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a public and/or private official, in order to obtain a favourable treatment or to influence the outcome of a negotiation in which the Company is interested.

In this regard, the Company has adopted an Anti-Corruption Compliance Policy. All the employees and officers are expected to make conversant themselves with this policy and ensure compliance with the Anti-Corruption Compliance Policy.

b. Compliance with Law on Insider Trading

Any non-public information, which might influence the market price of the Company's securities, should be kept in strict confidence until publicly released by authorized persons in accordance with applicable stock exchange regulations. Any employee or officer who has access to any non-public information, which could influence the price of Company's securities, must keep such information confidential and refrain from carrying out any transaction in such securities; whether for her/his own account or for the account of a third person. To use non-public information for personal financial benefit or to influence others who might make an investment decision on the basis of this information is not only contrary to the Company's rules of conduct but also illegal under SEBI Insider Trading Regulations.

As part of the Company's Code of Conduct on Prevention of Insider Trading, all directors, promoters, and identified employees and officers, who as a result of their duties may have access to any privileged or unpublished price sensitive information, are required to abide by the Code of Conduct.

c. Compliance with Trade Controls Compliance Policy

The Company has adopted a Trade Control Laws Compliance Policy and related procedures, which addresses requirements under applicable U.S. economic sanctions and export control laws. All the employees and officers expected to make conversant themselves with this policy and ensure compliance thereof.

d. Compliance with Competition and Anti-Trust Law

Competition is necessary to achieve economic efficiency and constitutes a key element of free and fair trade and business practices. The Competition Law prohibits unfair practices such as collusion with competitors, abuse of dominance and other anti-competitive business practices. Accordingly, the Company and its employees should not adopt any anti-competitive practices, which might have any adverse effect on the

competition.

e. Compliance with the Code of Conduct of the Customers

Many times, Company, as a part of its contractual obligations, undertakes to comply with the Code of Conduct of its customers. All the employees and officers are expected to make conversant themselves with this policy and ensure compliance with such code of conducts of the Customers of the Company.

f. Compliance with other Organisational Policies

The Company has adopted various organizational Policies. All the employees and officers are expected to make conversant themselves with these policies (included those as may be enacted or amended by the Company from time to time, and ensure compliance with such policies.

2. PREVENTING CONFLICT OF INTEREST AND ATTENTION TO PEOPLE AND THE ENVIRONMENT

All the employees and officers of the Company are expected to dedicate their best efforts to advancing the Company's interest and to make decisions in the best interest of the Company and independent of outside influences. An officer's duty demands that he avoids and disclose actual and apparent conflict of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

A conflict of interest occurs when an Officer's private interest interferes in any way, or even appears to interfere, with the interest of the Company as a whole. Conflicts of interest also arise when an Officer or a member of his immediate family receives improper personal benefits as a result of his position as an Officer of the Company.

Officers shall avoid conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly to the CEO/ COO of the respective business Company.

3. PAYMENTS, GIFTS, BENEFITS AND POLITICAL INVOLVEMENTS

The Company has adopted Anti-Corruption Compliance Policy, which sets forth various rules relating to gifts, entertainment, travel, meals, lodging and employment and prohibits the provision of gifts and political donations. All the employees and officers are expected to make conversant themselves with this policy and ensure the compliance thereof.

4. HEALTH AND SAFETY

Ensuring the health and safety of its employees and officers, is the Company's priority. All employees and officers are entitled to work in a safe and healthy environment, and are expected to participate in such efforts by acting in a responsible manner. The Company's Health and Safety Policy applies to all of its employees, officers, sub-contractors, and other third party service providers. Such a policy is managed and monitored actively so as to improve the safety and health conditions of its employees, officer and sub-contractors on a continuing basis. Each employee and officer must perform their duties consistently with the health and safety rules applicable at her/his workplace, and participate in such training programmes as may be organized from time to time by the Company.

5. EQUAL OPPORTUNITIES AND PREVENTING DISCRIMINATORY ACTIONS AND HARASSMENT

The Company provides equal opportunities to all its employees; irrespective of their race, caste, religion, gender, sex, sexual orientation, marital status, colour, age, nationality or disability. The diversity of employees and cultures represented within is a tremendous asset of the Company. As part of its employer commitments; the Company is determined to offer its employees and officers equal opportunity in terms of recognition, progression and career path; irrespective of their origin or beliefs, and does not tolerate any discrimination or harassment of any kind. Examples include derogatory comments based on racial, ethnic, gender characteristics, age or religion, or to adopt an unwelcome attitude with a sexual connotation. Such acts are strictly prohibited within the Company.

6. PREVENTION OF SEXUAL HARRASMENT AT WORK:

The Company believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place if involving an employee or employees is a grave offence and is therefore, punishable.

For protection against sexual harassment of women at workplace and for prevention and redressal of complaints of sexual harassment the Company has formulated the Policy for Prevention of Sexual Harassment at Work Place (POSH Policy).

The POSH Policy aims to provide protection to not just women employees against sexual harassment of women at workplace, but it also includes employees of all genders and provide them a mechanism for the prevention and redressal of complaints of sexual harassment and for the matters connected herewith or incidental thereto.

7. ENVIRONMENT

As part of its commitment to sustainable development, the Company has integrated in its strategy and culture measures to control the impact of its actions on the environment.

The Company's commitments in this respect cover mitigation of climate change; conservation of nature; efficient use of energy and natural resources; minimizing production of waste, harmful air emissions and water discharges; and preservation of heritage, landscape and biological diversity. Every Stakeholder must, within the limits of her/his duties and obligations, participate in the Company's efforts and commitments by complying with the applicable regulations and the Company's environmental policies. Each Stakeholder must report to the persons responsible for these matters, any compliance failures or possible exposures of which he becomes aware.

8. OBLIGATIONS UNDER REGULATION 26(6) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 (LODR):

No employee including key managerial personnel or director or promoter of the Company (as and when listed) shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company as and when listed, unless prior approval for the same has been obtained from the Board of Directors as well as shareholders by way of passing an ordinary resolution.

The concerned employee including key managerial personnel or director or promoter of the Company, as the case may be, shall give prior written intimation to the Company before entering in to any such transaction or agreement.

Employees shall also disclose about their relationship with Public Official, if any. The Representatives of the also undertake to abide by this code.

"Public Official" means: (i) an officer or employee of a government, agency, ministry or instrumentality thereof; (ii) an officer or employee of a government-owned or controlled entity; (iii) an officer or employee of a public international organization; (iv) a political party or party official or candidate for political office; or (v) an individual who holds a legislative, administrative or judicial position of any kind, whether appointed or elected.

"Representative" means any agent, consultant, broker or other third party intermediary who acts for or on behalf of the Company or any other Group member.

9. PROTECTION OF THE COMPANY'S ASSETS AND FAIRNESS IN FINANCIAL REPORTING

a. Accuracy and Protection of Confidential Information and Data

The Company expects its employees and officers to share accurate information about the Company with authorized recipients in a reliable manner so as to enable them to carry out objective analysis and controls. It also implies that all Confidential Information should be protected to the extent that it remains confidential. **"Confidential Information"** includes all non-public strategic, financial, technical, or business information such as

formulas, processes, industrial knowhow, industrial or business plans financial and strategic plans, financial forecasts, personal information and data, business negotiations, marketing studies or client and supplier files and any such information; the disclosure of which would be harmful to the Company. Likewise, personal information and data regarding the Company's employees and affiliates must be handled with care so as to prevent any alteration or improper disclosure, and in compliance with the Privacy Policy of the Company. This obligation to preserve confidential information continues even after cessation of employment with the Company.

b. Protection of the Company's Assets and Resources

Each employee and officer is responsible for the proper use of the Company's assets and resources, and their protection. These include intellectual property such as, but not limited to, trade secrets, patents, trademarks as well as installations, equipment, and the assets and financial resources of the Company. These assets and resources must be used in accordance with their business requirements or for the benefit of the Company; as the case may be; and may not be used any time for non-Company business. Each employee and officer should endeavour to protect the Company's assets against any deterioration, alteration, fraud, loss or theft.

c. Financial and Non-Financial Reporting

Accurate and reliable records of many kinds are necessary to meet the Company's legal and financial obligations and to manage the affairs of the Company. The Company's books and records must reflect in a full, fair, accurate and timely manner all business transactions. The directors and officers responsible for accounting and record keeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

The Company's policy is to provide timely, relevant, accurate, fair and understandable disclosure of relevant information - financial as well as non-financial. Accordingly, Directors and Officers must ensure that they comply with the disclosure controls and procedures and internal controls for financial reporting.

10. IMPLEMENTATION OF PROCEDURES AND VIOLATIONS

a. Implementation

Implementation of the Code is based on the lucidity with which the rules are laid out, the processes that are in place for their execution (combining flexibility and consistency), and most importantly, the people who put them into effect and follow them. Each function of the Company is responsible for implementing these rules; taking into consideration any constraints pertinent to the applicable laws and regulations. In addition, training and performance programs are to be organized from time to time in

relation to these topics.

b. Alertness

Employees must comply with these rules set forth under this Code and ensure that that they are complied with others in their teams or under their supervision. In cases of deliberate non-compliance or violation of the Code; employees should report the non-compliance by using the mechanism provided in the Company's Whistle Blower Policy. When the situation so requires; the identity of the employee reporting a violation shall be kept confidential. No employee will be permitted to take any retaliatory measures against an employee who has reported a violation in good faith. The Company's management will also take efforts to ensure that such conscientious employees are protected from any retaliatory measures.

11. VIOLATION OF THE CODE

The Code sets forth rules, which all employees and officers of the Company are required to follow within the limits of their duties. More precise descriptions of certain principles set forth in this Code are contained in the respective policies and charters prepared by the Company. Employees and officers are encouraged to read these policies. In case the situation makes it difficult for an employee to contact her/his supervisor, the mechanism provided in the Company's Vigil Mechanism Policy. Failure to comply with the rules set forth in the Code will be considered as misconduct and subject the employee to legal/disciplinary action in accordance with applicable laws and regulations.

NOTE: This Code of Conduct does not provide a full, comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have continuing obligation to familiarize themselves with all applicable laws, Company's policies, procedures and rules, as notified from time to time.

AMENDMENTS TO THE CODE

The Company is committed to continuously reviewing and updating the policies and procedures from time to time. This Code can be modified or amended by the Managing Director and Group CEO of the Company