



No.A.60011/83/2011-PP

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

8 November, 2011

The Regional Executive Director
Airports Authority of India
NR/SR/WR/ER/NER
Delhi/Chennai/Mumbai/Kolkata/Guwahati

The Executive Director(RCDU/FIU)
Airports Authority of India
New Delhi

The Airport Director
Airports Authority of India
Kolkata/Chennai

The Director
IAA
New Delhi

The General Manager(CRSD/E&M Workshop)
Airports Authority of India
New Delhi

The Principal
CATC
Allahabad

Corporate H.R. Circular No.54/2011.

Subject: -Code of Ethics and Business Conduct for Central Public Sector Employees.

The Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises – Government of India have issued a Code of Ethics and Business Conduct for Central Public Sector Employees vide their Office Memorandum No.15(3)/2010-DPE (GM) dated 3.10.2011 (copy enclosed).

2. Keeping in view the contents of the above cited O.M., it has been decided with the approval of the competent authority to adopt this Code in AAI. Accordingly, a copy of the Code is enclosed for wide circulation amongst all the employees and officers of AAI and for appropriate action as subsequently proposed in this circular.

3. The Code for Central Public Sector Employees has been formulated keeping in view the following broad principles:

- (a) The Code of Ethics is not only an enumeration of unexceptionable and generalized set of moral values, but is also relevant to the operational realities of public sector enterprises who are required to function in a competitive and commercial environment with ever increasing expectations for fulfilling stakeholder expectations and enhancing the enterprise value.
- (b) The Code is in the nature of a code of ethics and business conduct, attempted to focus also on the elements that would be more relevant to the functioning of public sector employees and senior management in a business environment in addition to discussing at length the complex dimensions of the issue of ethics.
- (c) The Code inter-alia contains issues which are not only already covered by the existing laws and rules, but which are of significant relevance nonetheless to the public enterprises or for any corporate entity and its employees in their behavior and operations as ethical and socially responsible entities and individuals.

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4. In view of the above, all the Heads of Offices/Heads of Departments are hereby directed to ensure that: –

- (a) Serious and sustained efforts are made by them to aim at a widespread and willing acceptance of the Code and its contents within their respective offices;
- (b) Proactive steps are taken on a sustained basis to ensure that the Code is available to all the employees under their administrative control;
- (c) The Code is understood, accepted and complied with by the employees in letter and in spirit.
- (d) It becomes a part of the Authority's ethos and guides its employees in all their work;
- (e) An undertaking is obtained from the employees to abide by the Code which may be placed in the Service Book of the concerned employee.

5. A copy of this Circular along with the Code has also been uploaded on AAI's website for the information of all and for ensuring that all future employees must also give similar undertaking at the time of their joining which may be placed in their Service Books.

6. With a view to ensuring following a uniform methodology all across AAI, a draft Undertaking is also enclosed.

7. This issues with the approval of Chairman.



(K.K. JHA)
MEMBER(HR)

Internal Distribution:

- Chairman/Member(Plg)/ Member(ANS)/ Member(OPS)/ Member(Fin)/ CVO
- All HoDs/GMs at CHQ/Operational Offices/New Office Complex
- GM(IT) – for uploading the circular in AAI website
- General Secretary, AAEU
- All Officers Associations - AAOA(I)/IAAIOA/ACOA(I)/ATC Guild(I)/
AAI Engg Guild/ AAI SCST Employees Welfare Association
- Notice Board

UNDERTAKING

This is to certify that I have received a copy of the Code of Ethics and Business Conduct for Central Public Sector Employees as circulated vide AAI's circular No.A.60011/83/2011-PP dated 8.11.2011 as amended from time to time and undertake to comply and abide by all the contents of the Code at all times during my service with AAI.

Signature

Name:

Designation:

Employee Code:

Name of Office:

No. 15(3)/2010-DPE (GM).
Government of India
Ministry of Heavy Industries and Public Enterprises
(Department of Public Enterprises)

PS TOM (HR)

Public Enterprises Bhawan
Block No. 14, C.G.O. Complex
Lodhi Road, New Delhi-110 003

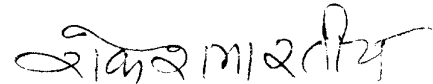
Dated the 3rd October, 2011

OFFICE MEMORANDUM

Subject : Code of Ethics and Business Conduct for Central Public Sector Employees.

The undersigned is directed to refer to DoPT's D.O. No. dated 7.12.2009 and forward herewith a copy of "Code of Ethics and Business Conduct for Central Public Sector Employees" approved by Minister (HI & PE) for adoption by the CPSEs.

Encls: as above



(Rakesh Bhartiya)
Director
Telefax: 24360218

Department of Personnel & Training
(Dr. S.K.Sarkar, Additional Secretary)
North Block,
New Delhi

Copy to:

- (i) Secretaries of all the administrative Ministries/Departments concerned with the CPSEs with the request to issue necessary instructions to the CMDs of CPSEs under their administrative control.
- (ii) CMDs of all the Central Public Sector Enterprises

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24/10/2011

CODE OF ETHICS AND BUSINESS CONDUCT FOR CENTRAL PUBLIC SECTOR EMPLOYEES - REPORT OF THE EXPERT COMMITTEE

The DPE constituted a committee of experts, vide its O.M. of 26th April, 2010, under the chairmanship of Sh. P.G.Mankad, to formulate a draft Code of Ethics for Employees in CPSEs, in the context of a model code prepared by the PSEB on which the DPE needed to

2. The Committee was initially given a short tenure to submit its report but subsequently, taking into consideration some practical problems and in view of the complexity of the task at hand, the DPE decided not to place any rigid time line for the completion of this report.

3. The committee was guided by the opening address of the Secretary, Department of Public Enterprises, who explained that the intention behind this exercise was to arrive at a code of ethics which will not be just an enumeration of unexceptionable but generalized set of moral values, but would be relevant to the operational realities of public sector enterprises, and for their management and employees who are required to function in a competitive and commercial environment, with ever increasing expectations for fulfilling stakeholder expectations and enhancing the enterprise value.

4. The committee, noting that the code would be in the nature of a code of ethics and business conduct, attempted to focus also on the elements that would be more relevant to the functioning of public sector employees and senior management in a business environment, in addition to discussing at length the complex dimensions of the issue of ethics.

5. The committee noted that a number of codes of ethics already existed in the public as well as the private sectors, and felt that even as it would discuss all aspects of a draft code, it would be desirable to take into consideration the model code of Public Enterprises Selection Board (PESB) and the other existing codes, and to add value where possible, in substance and in structure, rather than try to entirely reinvent the wheel.

6. It also noted that a major challenge was to identify and reflect in the code areas which are not already covered by existing laws or rules, but which are of significant relevance nonetheless to the public enterprises, or for any corporate entity and its employees in their behaviour and operations as ethical and socially responsible entities and individuals.

7. It also noted that whereas in the context of personal ethics, the choice between a right and a wrong may be relatively easy, it is not always so in a business context, where the real problem is in choosing from among options which reflect various shades of grey.

8. One important issue that engaged the committee's attention and which was discussed at length was that of whether the code of ethics should be voluntary or compulsory? This issue elicited mixed, and sometimes diametrically opposite, views.

9. After considerable debate and taking various pros and cons into account, the committee felt that it would be preferable to leave the decision to the Government, or to the organization concerned rather than prescribe it as a part of the Code.

10. However, it was also felt by the committee that serious and sustained efforts must be made by the managements to aim at a widespread and willing acceptance of the code and its contents within their organization, and that it would be desirable for the PSEs to obtain, as many do even now, an undertaking from the employees to abide by the code.

11. It was also felt that all PSEs must take proactive steps on a sustained basis to ensure that the code is available to all its employees; that it is understood, accepted and complied with by them to the extent possible in letter and in spirit; that it becomes a part of the company's ethos; and guides its employees in all their work.

12. The committee also felt that while the code was for the employees of public sector enterprises, it cannot and should not be seen in isolation of the larger issue of corporate ethics.

13. The committee acknowledged, and was thankful for, the guidance, assistance, and consideration received from secretary DPE and his team in facilitating its work.

14. The draft code is given below:-

**CODE OF ETHICS AND BUSINESS CONDUCT FOR CENTRAL PUBLIC SECTOR
EMPLOYEES**

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1. PRELIMINARY

1.1 This Code shall be called the Code of Ethics and Business Conduct for Central Public Sector Employees.

1.2 It shall be applicable to all employees of Central Public Sector Enterprises.

1.3 This Code supplements the various laws and regulations applicable to the CPSEs , as also their internal policies, guidelines and the CDA (Conduct, Discipline and Appeal) Rules, compliance with which is mandatory and violations punishable as prescribed.

2. ETHICAL CONDUCT – GENERAL EXPECTATIONS

2.1 This Code is a set of guidelines for ethical corporate and individual behaviour in conduct of business and discharge of duties.

2.2 The underlying values, principles and norms for such ethical conduct include, among others, honesty, integrity, professionalism, fairness, accountability, credibility, diligence, respect for others, a sense of responsibility to the job, loyalty to the company, primacy of company's interests over personal interests, respect for the law, staying above the temptation to utilize official position or knowledge for personal gain, and a strong personal sense of right and wrong.

3. WORKPLACE RESPONSIBILITY

3.1 In addition to adhering to the basic values and principles underlying ethical behaviour, employees should also strive to abide by the principles of respect for all persons including those junior/subordinate to them or who are less advantaged; respect for individual dignity and rights; non-discrimination on the grounds of race, ethnicity, caste, material status or gender; and maintaining a work environment free of sexual harassment or exploitation.

3.2 It is incumbent upon all Public Sector employees to treat all those who deal with them with courtesy, and respond to their queries or legitimate requests positively and on a timely basis.

3.3 Any misuse of one's position as a PSE employee to seek or accept any gratification for doing what is a part of the employee's duty is clearly illegal and unethical, and must be punished by the company appropriately. The same must also apply to any employee offering any gratification to anyone, or bringing extraneous pressure, for seeking any undue favour.

3.4 It is the responsibility of every employee to bring to the notice of appropriate authorities any violation of rules, regulations or codes of conduct, which they should do in a manner as may be prescribed by the company. However, it is also important that this facility is not

misused to wrongfully harm someone, and such misuse must also be punished by the company appropriately.

3.5 Every employee should ensure at all times the integrity of the data/information furnished by him/her to the company or to the auditors/regulators/authorities.

4. FAMILIARISATION WITH RELEVANT LAWS, REGULATIONS, POLICIES, RULES ETC. AND REGULATORY COMPLIANCE

It is expected that all employees would study and familiarize themselves with laws, regulations and guidelines/standards issued by regulators that are relevant to their work, and ensure that they are complied with where they are responsible for doing so on behalf of the company or/and in their personal capacity.

They should also be familiar with the policies; rules etc of the company, and follow them as a matter of course.

They should discharge their duties in this regard in a truthful, accurate, diligent and timely manner.

5. PROTECTING ASSETS OF THE COMPANY

5.1 It is the responsibility of all employees to ensure that all the assets of the company, tangible (such as machinery, equipment, systems, facilities, computers, vehicles, materials etc) as also intangible (such as information and communications systems and technology, proprietary information, relationships, brand equity and intellectual property etc), must be used in the interest of the company, for the conduct of business and the purpose for which they have been provided, and to prevent any misuse or misappropriation for personal or unauthorized use.

6. CONFLICT OF INTEREST

6.1 Every employee must act in the best interest of the company, and ensure that any business or personal association which he/she may have does not involve a conflict of interest with the operations of the company and his/her role therein.

6.2 A conflict of interest, actual or potential, may arise where, directly or indirectly, an employee,

(i) Is unable to exercise an independent and unbiased judgment of the best interests of the company, or is impaired in any manner to act in its the best interests , in view of his/her personal interest, or that of close relatives/associates, being involved or could be perceived to be involved;

(ii) Knowingly engages in a business relationship or activity with anyone who is a party to a transaction with the company;

(iii) Is in a position to derive an improper benefit, personally or to any or his/her relatives/associates, by making or influencing decisions relating to any transaction;

6.4 In situations where some historic conflict of interest exists, or where an inadvertent conflict or potential conflict comes to the notice of the employee, it must be reported immediately to the superiors.

6.5 In situations of doubt about the likelihood of a conflict/potential conflict of interest, the employee must disclose the matter to the superiors and seek clearance / directions.

7. CONFIDENTIALITY OF COMPANY RELATED INFORMATION

7.1 Subject to the Code of Corporate Disclosure Practices or any other relevant policy/instructions on disclosures to outside parties that may be prescribed in the company, information regarding the company's business should be treated as confidential and should not be shared with anyone within and outside the company, formally or informally, unless authorized to do so, and only to those authorized to receive it, with suitable safeguards as feasible, to prevent misuse of the information.

7.2 Information and data relating to, but not limited to, areas like financial performance and results, asset revaluations, investment plans/decisions , business strategies, marketing plans, sales or contracts, customer lists and details, proprietary, pricing or costing data etc should be treated as confidential and not disclosed without proper authorization, while the employee is in service and even subsequently.

7.3 In situations where the performance of a specific job inherently requires sharing of information, including that of otherwise confidential nature (for example with auditors, board committees, regulators etc), or where certain information needs to be provided under the law, regulations or in the course of any official enquiry/ query, or in similar situations, appropriate authorization should be obtained.

7.4 Even in situations where some information relating to the company's business may be in public domain, its disclosure or elaboration should be done only by specifically authorized persons and within the bounds of the company's policies and guidelines.

7.5 The confidentiality of information pertaining to other entities with which the company has business dealings should also be equally respected and protected.

8. PROHIBITION OF USE OF COMPANY RELATED INFORMATION FOR PERSONAL GAIN

8.1 No employee or his immediate family/close associates should derive, or assist anyone else to derive, any benefit from access to information about the company, or those with whom it does business, that is not in public domain, and therefore constitutes unpublished and price sensitive insider information not available to the investing public.

8.2 No employee should use or share such information for making or giving advice on making investment decisions about the securities of the company or of such entities with which it does business.

8.3 The existing laws and regulations on prevention of insider trading should be followed scrupulously by all employees of the company.

9. USE OF POSITION IN COMPANY FOR PERSONAL PURPOSES

9.1 The employee should not use his official position in the company to obtain any support for activities in which he/she may be involved in a personal capacity, including those of a non-commercial nature, e.g. cultural, literary, charity etc, from anyone with whom the company has business dealings; nor should he/she use the official position, time or resources to pursue such activities, even if these may be desirable activities per se.

9.2 The employee should not seek or accept, directly or indirectly, any gift, donation or comparable benefits from anyone having business dealings with the company, except as prescribed under the policy or rules of the company.

10. CONCURRENT DIRECTORSHIP OR EMPLOYMENT

10.1 No employee should accept any directorship or any employment, assignment or position of responsibility, including consultancy or freelance work, irrespective of whether it is with or without remuneration, in any other company or organization without specific approval.

11. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

11.1 The Public Sector Enterprises need to be specially committed to issues that go beyond the financial performance of a company, such as those relating to corporate citizenship, health, safety, education, social justice, gender, climate change, and environmental sustainability, to name some. Their operations and business conduct should, to the extent feasible, benefit the localities and communities in which they operate, and must not be detrimental to them or to the local environment.

11.2 The employees are responsible not just for carrying out the policies of the company in this context as a part of their duties, but should also integrate these concerns in their working, and contribute pro-actively in ensuring that the company operates as a good and responsible corporate citizen. Where a company operates in different geographies, the company and also its employees should respect the culture, customs and traditions of each country and region.