BHARAT GEARS LIMITED
Geared for Life

CODE OF BUSINESS CONDUCT AND ETHICS OR THE CODE

[Pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations")]

1. Introduction and Purpose:

Bharat Gears Limited ("the Company") believes that Good Corporate Governance is the key to the Conduct of Company's Business in a transparent, reliable and vibrant manner. It is of paramount importance for any Company to create an atmosphere of faith, integrity, accountability, responsibility and financial stability by adhering to commitment, ethical business conduct, a high degree of transparency thereby unlocking the individual intellectual capabilities and enabling its Board of Directors to conduct its duties under a moral authority, which ultimately leads to enhance legitimate needs and value of the stakeholders.

With the above objective, the Board of Directors have framed a Code for Good Corporate Governance and ethical practices termed as "Code of Business Conduct and Ethics" or "The Code". The Code is intended to be implemented as BGL's Code of Business Conduct and Ethics drawn in pursuance to the Regulations.

The purpose of this Code is to promote ethical conduct of the affairs of the Company. The matters covered in this Code of Business Conduct and Ethics are of utmost importance to the Company, its shareholders, customers, business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values.

The Code shall come into effect from 01st August, 2015.

The conduct to be followed is attached as Annexure – I. The Code shall also be posted/ displayed on the website of the Company www.bharatgears.com.

1.1 Objectives:

- Promote high standards of personal integrity and honest, ethical and responsible conduct, including the ethical handling of actual or apparent conflicts of interest,
- Promote behavior in accordance with the values and best interests of the Company and deter wrongdoing,
- Adhere to both the letter and spirit of all applicable laws and Company policies,
- Safeguard Company assets, promote fairness in our dealings, and
- Ensure the prompt and confidential reporting of any suspected violations of this Code.

1.2 Our Vision:

We, the proud members of the BGL family, shall strive vigorously to delight our customers and stakeholders who are our very purpose, by pursuing excellence and innovation through committed team work. To this end we shall promote continuous learning, achievement orientation and ethical business practices, which will make us shine as a global player.

1.3 Our Mission:

To retain and reinforce our position as a leading Indian manufacturer of automotive gears and aggregates and meet the aspirations of customers in domestic and export markets. This will be achieved through on-time zero defect supplies backed by responsive service, empowered employees, vendor partner and satisfied investors.

2. Applicability:

The Code applies to the following persons: -

a. The Board of Directors of the Company;

b. The members of the Senior Management Team of the Company.

c. Functional Heads of All Departments; and

d. All Executives & Managers (Starting from grade 1-A) of all Departments (through Senior Management Team/Functional Heads).

The Directors, members of the Senior Management Team, the functional heads of all departments and all Executives & Members (Starting from grade 1-A) of all Departments (through Senior Management Team/Functional Heads) of the Company are expected to abide by this Code; all other applicable Company policies or guidelines; as well as all applicable Laws, Rules and Regulations and other Guidelines, applicable to them, respectively, in their sphere of activity.

"Senior Management" for the purpose of this Code includes the following:

i. Chief Executive Officer (CEO);

ii. Chief Financial Officer (CFO);

iii. Corporate Head (Legal) and Company Secretary (CS);

iv. Business Head (After Market);

v. Corporate Business Head;

vi. Process Leader-OE Marketing & Business Development;

vii. Persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company

All the members to whom the Code is applicable are expected and required to read and understand the Code and the Underlying principles and Standards therein, and uphold these standards in the day to day activities and comply with all the applicable laws, rules and regulations.

The Code shall be viewed more as a code of ethics for better and transparent Corporate Governance in the Conduct of Company's business. The Principles and standards described in the Code are general in nature and are not intended to be all comprehensive.

In case of any query or clarification on the subject, the Personnel may contact the Compliance Officer in this regard. The Board has designated the Company Secretary of the Company as the Compliance Officer for the said purposes.

3. Waivers:

Any member to whom this code is applicable and seeking any waiver from the code in certain unforeseen or unavoidable circumstances shall make a full disclosure of the circumstances to the next level senior of the concerned managerial personnel.

The authority to waive any compliance rests with the Board of Directors or any designated person or Committee appointed for the purpose.

An independent director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Regulations.

4. Acknowledgement of Receipt of the Code:

All members to whom this code is applicable shall acknowledge the receipt of this code thereto in the acknowledgement form as at Annexure – II indicating that they have received, read and understood and agreed to comply with the Code. The Format can also be downloaded from the Company's website.

The duly signed Acknowledgment Form shall be forwarded to the Company Secretary.

5. Annual Affirmation:

All the people to whom this code is applicable shall, within 30 days of close of every financial year affirm compliance with the Code (Refer Annexure I). The duly signed Annual Compliance Declaration shall be forwarded to the Compliance Officer of the Company.

In the event there is any Change in the Board of Directors, Senior Management Personnel during the Year, the new entrant/person shall affirm compliance of the code within 30 days of his/her joining. Thereafter, the compliance as aforesaid shall be affirmed within 30 days of the closing of each financial year.

The initial/annual affirmation of compliance form is at Annexure – III. The Format can also be downloaded from the Company's website.

The duly signed Affirmation of Compliance Form shall be forwarded to the Company Secretary, as per the schedule mentioned above.

6. Annual Compliance Reporting:

The Annual Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer if there is no CEO then Chairman and Managing Director.

7. Amendments to the Code:

The Company is committed to continuously review and update its policies and procedures. Any Amendment of any provision of the Code of Business Conduct and Ethics shall be approved in writing by the Company's Board of Directors and promptly disclosed on the

Company's website and in regulatory filings pursuant to the applicable laws, rules and regulations.

Any such amendment shall take effect from such date as stated therein.

8. Conclusion

It is the duty of every person on whom this code is applicable to behave ethically and ensure good corporate governance in the Company and to comply with this code of business conduct and ethics in true spirit.

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CODE OF BUSINESS CONDUCT AND ETHICS OR THE CODE:

(Pursuant to the Regulations)

❖ Honest and ethical conduct

(a) Act with honesty and professional integrity and in utmost good faith; (wherein Honest conduct means conduct that is free from fraud or deception)

(b) Ethically handle apparent, or hidden whether actual or perceived conflicts of interest between their personal, financial, commercial interests and their responsibility towards the Company;

(c) Fulfill the fiduciary obligations without allowing any prejudice, bias, misgivings, fear or favour cloud or compromise the independence of judgment;

(d) Proactively promote and be an example of ethical behaviour as a responsible partner among peers, in the work environment and community.

❖ Dealings with care and fairness

(a) Exercise utmost care, skill and diligence while dealing with and for the Company;

(b) Deal with all fairness with BGL's customers, suppliers, competitors and one another at all times and in accordance with ethical business practices;

(c) Participate in and promote team work, positive attitude, values, culture and thereby enhancing the overall atmosphere and creation and maintenance of new standards to look up;

(d) Exercise good judgment to ensure the safety and welfare of its employees, agents and contractors and to maintain a cooperative, efficient, positive, harmonious and productive work and business environment.

❖ Usage of Company's assets

(a) Protect the Company's assets including tangible or physical assets, intangible or intellectual property and Rights, Brand names, Trademarks, Information etc.;

(b) Not to exploit for their own personal gain, opportunities that arise or are discovered through use of Corporate Property, information or position, unless the opportunity is fully disclosed and requisite permission obtained from the competent authority;

(c) Company's funds, assets, resources, rights and properties shall be used and spent judiciously, with reasonable care and for the business purposes and incidental to carrying on the business of the Company;

(d) Act as trustees towards the properties, money, trade secrets and other items of intellectual nature, the existence or particulars of which may be within their personal knowledge by virtue of their position as Directors and/or Senior Management Personnel of the Company.

❖ **Gifts/Benefits/Presents or Payments from/by others**

(a) Not to accept any gifts, benefits, presents, favours or entertainments in any form offered by a supplier, customer, peers, subordinates or others not specified in the former categories, which exceeds the common practice associated with usual business conduct;

(b) Common instances such as casual exchange of meals, arranging for lunches, dinners, token gifts being widespread are generally acceptable, if done in moderation;

(c) It would be appropriate for the host to pay for a meal. If that is not practical, it shall be ensured that meal exchanges, lunches, dinners are equal over time.

❖ **Reporting/Information**

(a) To give a true and fair view of the state of affairs of the Company in the reports and documents that BGL files with or submits to its Board, Shareholders, Government authorities and stock exchanges or otherwise makes public;

(b) Not to divulge any information, whether of sensitive nature or not, which could jeopardize the Company's interest or its Stake holders. Apart from the above, to comply with the Insider Trading Code of Conduct as laid down by BGL;

(c) Respect the confidentiality of information acquired in the course of their work, except or otherwise legally obligated to disclose and not to use such confidential information for personal advantage. This obligation extends to confidential information of third parties, which BGL has rightfully received under non-disclosure agreements as well.

❖ **Safety**

(a) Exercise good judgment to ensure the safety and welfare of their colleagues, employees, agents and contractors.

❖ **Acquisition of knowledge/legal compliances**

(a) Comply with all applicable laws, rules and regulations;

(b) Recognize that violation of applicable laws, rules and regulations subject the Company to civil and/or criminal liabilities, jeopardize the business interests and objectives of the Company and may well give rise to individual civil or criminal liability;

(c) Strive and promote to acquire, upgrade and maintain, on a continued basis, requisite and sufficient knowledge and understanding of the Company's business, related laws, regulations applicable to the sphere of Company's business activities for discharge of corporate and departmental responsibilities and to be able to identify and recognize potential pitfalls arising liability on the Company;

(d) Know when to seek advice from the HR & administration, Secretarial & Legal and Finance & Accounts departments on various subject matters concerning the Company's business;

(e) Not to perform any act beyond the scope/ultra-vires of the stated Objects of business in the Memorandum and Articles of Association of the Company, the Companies Act, 2013/the Companies Act, 1956 to the extent applicable, and/or the laws of the Land applicable to the Company's business, for the time being in force.

❖ **Anti-Bribery and Corruption:**

Corruption is the misuse of public power for private profit, or the misuse of entrusted power for private gain. Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards.

Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage. It is illegal to directly or indirectly offer a bribe or receive a bribe. It is also a separate offence to bribe a government/ public official. "Government/ public official" includes officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country or territory. A bribe may be anything of value and not just money, gifts, inside information, sexual or other favors, corporate hospitality or entertainment, offering employment to a relative, payment or reimbursement of travel expenses, charitable donation or social contribution, abuse of function and can pass directly or through a third party.

Facilitation payments are considered as bribes and hence must not be paid either directly or indirectly through an agent or consultant. Any type of facilitation payment is prohibited.

Kickback is a bribe to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave, or is supposed to give, the undue advantage.

BGL does not pay and accept bribes from anyone. Company personnel are prohibited from accepting or receiving bribes, kickbacks, or similar payment or consideration of any kind, from any person or entity which is intended to, or which may be perceived as being intended to influence one's official acts or decisions; obtain or retain business or a business advantage.

❖ **Duties of Independent Directors**

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, act within their 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.

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Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall mandatorily apply to this Policy.

Initially approved by the Board of Directors of the Company in its meeting held on 28th January, 2005 and further, this code has been amended and adopted by the Board of Directors as per the following details:

S.no.	Date of Amendment	Particulars of Amendment
1.	31st July, 2015	To incorporate the necessary amendments with respect of the applicability of the Companies Act, 2013.
2.	24th May, 2016	To incorporate the necessary amendments with respect to the applicability of the Regulations.
3.	30th October, 2018	To incorporate the necessary amendments for ensuring better corporate governance.
4.	30th January, 2024	To make amendment in the definition of Senior Management for the purpose of this Code.
5.	24th January, 2025	To make amendment in the definition of Senior Management for the purpose of this Code and incorporate the necessary changes as deemed necessary.

For **Bharat Gears Limited**

Surinder Paul Kanwar
(Chairman and Managing Director)

Annexure – II

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(Pursuant to the Regulations)

Acknowledgement Form

The Compliance Officer,
Bharat Gears Limited
20 K. M., Mathura Road,
Amar Nagar,
Faridabad – 121 003.
(Haryana).

I, _____(name) S/D/o _____,(fathers' name)

R/o_____(Address)

being a **Director/Senior Management Personnel** * and designated as _____ (designation) of _____(department) at Mumbra/ Faridabad/Lonand * with **Bharat Gears Limited, acknowledge that** I have received, read and understood the provisions and policies of the Code and agree to comply with the said Code.

(Signatures)

Place:

Date:

(*strike out whichever is inapplicable)

Annexure – III

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CODE OF BUSINESS CONDUCT AND ETHICS OR THE CODE:
(Pursuant to the Regulations)

Initial/Annual Affirmation of Compliance Form *

The Compliance Officer,
Bharat Gears Limited
20 K. M., Mathura Road,
Amar Nagar,
Faridabad – 121 003.
(Haryana).

I,_____(name) S/D/o_____,(fathers' name)
R/o_____(Address)
being a **Director/Senior Management Personnel** * and designated as _____ (designation) of _____(department) at Mumbra/ Faridabad/Lonand * with **Bharat Gears Limited, affirm** to the best of my knowledge and belief, that I agree to comply/have fully complied with * the Code of Business Conduct and Ethics during the Financial Year, _____.

(Signatures)

Place:

Date:

(*strike out whichever is inapplicable)