



BHARAT GEARS LIMITED

Gearing for Life

CODE OF BUSINESS CONDUCT AND ETHICS OR THE CODE

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

1. Introduction and Purpose:

Bharat Gears Limited 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 stake holders.

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

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 Financial Officer (CFO);
- ii. Company Secretary (CS);
- iii. Business Head (After Market);
- iv. Corporate Head- HR;
- v. Corporate Head- Operations;
- vi. Head- OE Marketing & Business Development

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 particular 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. Affirmation of Compliance:

In terms of Regulation 26 of the Regulations, all Board Members and Senior Management Personnel shall affirm compliance of the Code initially at the coming into effect of this code.

Thereafter, the compliance as aforesaid shall be affirmed annually within 30 days of the close of each financial year.

In the event there is any Change in the Board of Directors, Senior Management Personnel during the Year, the incumbent shall affirm compliance of the code initially within 30 days of joining. Thereafter, the compliance as aforesaid shall be affirmed within 30 days of the close 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 Chairman & 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.

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BHARAT GEARS LIMITED
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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;
- (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 favor cloud or compromise the independence of judgment.
- (d) Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and community.

❖ **Dealings with care and fairness**

- (e) Exercise utmost care, skill and diligence while dealing with and for the Company;
- (f) Deal with all fairness with BGL's customers, suppliers, competitors and one another at all times and in accordance with ethical business practices.
- (g) 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.
- (h) 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**

- (i) Protect the company's assets including tangible or physical assets, intangible or intellectual property and Rights, Brand names, Trade marks, Information etc.
- (j) 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.

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