



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED

Code of Conduct for Board Members and Senior Management

Approved by the Board of Directors on 23rd January 2025

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

1. INTRODUCTION

The Bharati Defence and Infrastructure Limited ('BDIL' or 'Company') is committed to the highest standards of corporate governance and ethical conduct in all its activities and processes. It regards corporate governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

At the heart of the Company's corporate governance policy is the ideology of transparency and accountability in the effective working of the Management and Board. In furtherance of this policy, the Board of Directors has adopted this 'Code of Conduct for Board Members and Senior Management' ('the Code').

This Code of Conduct has been framed and adopted by the Company in compliance with Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and The Companies Act, 2013.

2. DEFINITIONS

- (a) **"Board" or "Board of Directors"** shall mean the Board of Directors of the Company.
- (b) **"Company"** shall mean Bharati Defence and Infrastructure Limited.
- (c) **"Compliance Officer"** shall mean the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code.
- (d) **"Director"** shall mean a member of the Board.
- (e) **"Listing Regulations"** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) **"Senior Management"** shall mean as defined in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. APPLICABILITY

The Code applies to Directors and Senior Management of the Company.

The independent directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013 which are set out in Annexure - I of the Code.

The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board.

The Code is effective from 1st October 2023.

4. GUIDELINES FOR CONDUCT

Every person to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall conform to the highest moral and ethical standards and at all time, be loyal to the Company and act in good faith and in the best interest of the Company.

Besides the duties and responsibilities cast upon Directors by applicable laws, articles of association of the Company and provisions of the Code, set out hereinbefore, a Director is also expected to:

- (a) use such degree of skill as may be reasonable to expect from a person with his/ her knowledge or experience;
- (b) not seek to influence any decision of the Board for any consideration other than in the interests of the Company;
- (c) make reasonable efforts to attend Board meetings, meetings of the committees of the Board where the Director is a member and general meetings of shareholders, regularly;
- (d) inform the chairman of the Board/ committee or the Company Secretary of the Company well in advance in case he is not in a position to attend a Board/ committee meeting and apply for the grant of leave of absence;
- (e) dedicate sufficient time, attention and energy to the deliberations at the meetings to ensure diligent performance of their duties;
- (f) notify the other Directors about the material personal interest in any matter and must not vote on such matter;
- (g) bring an open and independent mind to the Board/ committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting;
- (h) treat each other with courtesy and observe the other guidelines set out in the Code;
- (i) act in a cooperative and respectable manner with their colleagues;
- (j) maintain order and decorum at the meetings and obey the directions given by the Chairman; and
- (k) comply with all applicable laws, regulations, confidentiality obligations and Company's policies.

5. CONFLICT OF INTEREST

The Directors and Senior Management shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to the Company's interest. They should avoid transacting company business with their relative or with a firm/ company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board.

The Directors and Senior Management shall also not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

6. HONESTY, INTEGRITY, FAIRNESS AND ACCOUNTABILITY

The Directors and Senior Management are entrusted with the responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence.

The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel.

7. DISCLOSURE OF INTEREST

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws.

The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

8. CONFIDENTIALITY

Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Director/ Senior Management or anyone other than the Company.

Confidential information includes any information relating to the Company's business, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/ Senior Management has access or they possess such information because of their position in the Company.

9. COMPANY PROPERTY

Directors and Senior Management have a fiduciary relationship with the Company and they should act like a trustee for the Company's property/ assets as well as the property/ assets of other organizations that have been entrusted to the Company. They are responsible for its safe custody and accountable for its use. The Directors and Senior Management shall not use these assets/ property except as specifically authorised and that too only for the purpose of Company business.

10. CORPORATE BUSINESS OPPORTUNITIES

Corporate Business Opportunities here means those opportunities, which are made available to the Company and which are known to the Directors/ Senior Management due to the position held by them in the Company. The Directors/ Senior Management shall not utilise such opportunities for their personal benefit. However once an opportunity is fully and properly disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity.

11. COMPLIANCE WITH APPLICABLE LAWS & COMPANY'S POLICIES

Every person to whom the Code is applicable and others directly or indirectly associated with the Company shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time. Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

12. DECLARATION FOR COMPLIANCE WITH THE CODE

The members of the Board and Senior Management shall affirm the compliance with the Code on an annual basis and shall sign a confirmation to that effect as per the format set out in Annexure II.

The annual report of the Company shall carry a declaration signed by the CEO/ Manager of the Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

13. WAIVERS

Any waiver of any provision of this Code for a Director or Senior Management must be placed for approval before the Company's Audit Committee of the Board of Directors.

14. MISCELLANEOUS

Suspected violations of the Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated and action will be taken on the conclusion of the enquiry by the Board which may even include a request to resign as Director or Senior Management of the Company, if permitted by applicable laws and is in the best interest of the Company.

The board of directors of the Company reserves the right to modify and/or amend the Code at any time. The Code and subsequent amendment(s) thereto, shall be published on the website of the Company.

Annexure - I

DUTIES OF INDEPENDENT DIRECTORS

In addition to the above, the Independent Directors of the Company shall also abide by the duties as laid down as under:

Code of Conduct, Role and functions and Duties of Independent Directors (in terms of Section 149, 150, 166 and Schedule IV of the Companies Act, 2013). The Definition of the Independent Director will be governed by the provisions of the Companies Act, 2013 and SEBI Listing Regulation and the amendments in the same from time to time.

Guidelines of Professional Conduct: 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.

Role and Functions: The Independent Directors shall

10. 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;
11. bring an objective view in the evaluation of the performance of board and management;
12. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
13. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
14. safeguard the interests of all stakeholders, particularly the minority shareholders;
15. balance the conflicting interest of the stakeholders;
16. 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;
17. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

Duties: The Independent Directors shall

18. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
19. 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;
20. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
21. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
22. strive to attend the general meetings of the company;
23. 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;
24. keep themselves well informed about the company and the external environment in which it operates;
25. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
26. 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;
27. 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;
28. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
29. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
30. 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.

Annexure - II
DECLARATION

To,
The Chairman
The Board of Directors
Bharati Defence and Infrastructure Limited

Dear Sir/Madam,

Sub: Declaration confirming compliance with the Code of Conduct

I, Mr./Mrs./Ms. _____, (designation), do and hereby acknowledge and confirm that during the financial year _____, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Directors / Members of Senior Management of the Company or any policies or legal/ regulatory requirement of the Company, directly or indirectly applicable to me.

Signature: _____

Name: _____

Designation: _____

Place: _____

Date: _____

This Policy was approved by the Board of Directors at its meeting held on 23rd January, 2025.