

## **BHARAT NIDHI LIMITED ("The Company")**

### **Code of Conduct for Directors and Senior Management Personnel (Pursuant to Clause 49(II) (E) of the Listing Agreement)**

#### **I. PREFACE**

As per the Clause 49 of the Listing Agreement, the Board of Directors of Listed Companies have to lay down a Code of Conduct for all Board members and Senior Management of the Company. All the Board members and Senior Management personnel shall abide by and affirm the compliance of the Code of Conduct on an annual basis.

Accordingly, the company has laid down this Code of Conduct (the code) for its Board and Senior Management Personnel.

#### **II. OBJECTIVE OF THE CODE**

The objective of the Code is to ensure compliance with legal requirements and set standards for business conduct so that all members of the Board and Senior Management act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working for and on behalf of the Company. All members of the Board and Senior Management must conduct themselves accordingly and seek to avoid improper behaviour.

#### **III. APPLICABILITY**

The code shall be applicable to the following personnel of the Company:

- a) All members of the Board of Directors of the Company
- b) All Senior Management Personnel of the company.

**Explanation:** Senior Management Personnel' (hereinafter referred to 'SMP') means personnel of the Company who are member of its core management team comprising all members of management of the Company one level below the executive directors, including all functional heads but excluding Board of Directors. For avoidance of doubt Senior Management Personnel of the Company shall include Key Managerial Personnel as defined under Companies Act, 2013 and other employees above the rank of Assistant General Manager.

#### **IV. HONEST AND ETHICAL CONDUCT AND FAIR DEALING**

The Board Members and SMP shall deal honestly, ethically and fairly with the Company's Stakeholder. Statements regarding the Company must not be untrue, misleading, deceptive or fraudulent. All of our Board Members and SMP must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

#### **V. CONFLICTS OF INTEREST**

A "conflict of interest" occurs when an individual's private interest directly or indirectly interferes or appears to interfere with the interests of the Company.

All Board Members and SMP must avoid situations in which their personal interest directly or indirectly could conflict with the interest of the Company. This is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or potential conflict must be disclosed to the Board of Directors for guidance and action as appropriate.

**VI. CONFIDENTIAL INFORMATION**

During the course of employment or dealing with the Company, any information of a confidential nature (whether about the Company, other companies or individuals) that is known to the Board Members and SMP shall be treated as confidential unless publicly available. Such information should be used only for the purpose of the business of the Company. This obligation continues for a period of three years after leaving the Company.

**VII. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

The Board Members and SMP are required to comply with all applicable laws, rules and regulations, and Company procedures, rules and policies as may be made applicable by the Company from time to time. In order to assist the Company in promoting lawful and ethical behavior, the Board Members and SMP must report any violation of law, rules, regulation or the code of conduct to the Company Secretary of the Company.

**VIII. PROTECTION AND PROPER USE OF CORPORATE ASSETS**

All the Board Members and SMP should seek to protect the Company's assets. All Board Members and SMP must use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else.

**IX. RELATIONSHIPS WITH SUPPLIERS AND CUSTOMERS**

The Board Members and SMP shall ensure that in their dealings with suppliers and customers, the Company's interests shall never be compromised. Accepting gifts, presents and other payments from suppliers or customers will be viewed as serious breach of discipline as this could lead to compromising the Company's interests.

**X. NON DISCRIMINATION**

We regard the diversity of our employees as a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind including but not limited to derogatory Comment based on racial or ethnic characteristics and unwelcome sexual advances. Discrimination in employment is illegal under Indian laws and a violation of Company's policies. It is a policy of Company to recruit, hire, promote, assign, compensate and train qualified persons without regard to race, color, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability. An employee engaging in discrimination will be subject to disciplinary action up to and including termination of employment.

**XI. FINANCIAL REPORTING**

High standards of integrity are integral to our business conduct. Our financial reports should stand as a barometer of not just high performance but also high transparency and accountability.

It should be our constant endeavor to share and disclose to our stakeholders material information as recommended in statutory guidelines.

**XII. INSIDER TRADING**

The Company has formulated a Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading.

All Directors and Senior Management shall comply with insider trading guidelines issued by SEBI and prevention of Insider Trading Code as issued by the Company.

**XIII. DUTIES OF INDEPENDENT DIRECTORS**

Duties of Independent Directors shall mean and include duties as laid down in the Companies Act, 2013 and enumerated in **Annexure- I**.

**XIV. ACCOUNTABILITY FOR ADHERENCE TO THE CODE**

In terms of Clause 49 of the Listing Agreement, All Board Members and Senior Management Personnel shall affirm compliance with the Code on an annual basis in the form annexed hereto as **Annexure-II**

**XV. INTERPRETATION**

Any question relating to how this Code should be interpreted or applied should be addressed to the Company Secretary.

**XVI. AMENDMENTS TO THE CODE**

Any amendment in the provisions of the Act and/or Clause 49 of the Listing Agreement relating to the Code of Conduct for Board Members and Senior Management Personnel will be incorporated in the Code with the approval of the Board.

**Duties of Independent Directors:**

As laid down in the Companies Act, 2013 under Schedule IV [section 149(8)], 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) Acting within his 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.

Bharat Nidhi Ltd.  
Code of Conduct for Directors and Senior Management  
Annual compliance report

**CERTIFICATION**

Pursuant to Clause 49(II) (E) (2) of the Listing Agreement, I hereby affirm and declare due compliance with the Code of Conduct duly constituted for the Members of the Board and Senior Management personnel of M/s Bharat Nidhi Limited for the Financial Year ended March 31, 20\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_