DFA -1

Yantra India Limited

Code of Business Conduct& Ethics

For

Board members, Senior Executives

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1. INTRODUCTION

1.1 This Code may be called “Yantra India Limited Code of Business Conduct and Ethics”, [Year].

1.2. The Code shall come into force with effect from the date of ____________ Board Meeting i.e. ____________.

1.3 This Code aligns with the Company Act 2013 and Corporate governance guidelines issued by the Department of Public Enterprises.

1.4 The objective of this Code is to foster transparent and ethical management practices within the Company.

2. DEFINITIONS

In this Code, unless the context otherwise requires-

2.1 "The Company" refers to Yantra India Limited.

2.2 "Board Member" shall mean a Board Member of Yantra India Limited.

2.3 “Senior Executive" includes all officers one level below the Board Members and holding the post of General Manager at Unit or at Head Quarter.

2.4 "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013, and Rule 4 of the Companies (Specification of Definition Details) Rules, 2014, as amended from time to time.

3. APPLICABILITY

This code shall be applicable to All Board Members & Senior Executives of YIL.

4. CONTENT OF THE CODE:

These encompass the fundamental guidelines that govern the conduct, actions & decisions of all Board Members and Senior Executives of the Company. It can be categorised as:-

1) General Ethical Principles and Values.
2) Specific Professional Responsibilities.

5. GENERAL ETHICAL PRINCIPLES AND VALUES:

These principles and values are applicable across various context and scenarios and will serve as the fundamental framework for responsible behaviour within the Company.

5.1 **Compliance with Laws and Regulations**: All Board Members, and Senior Executives shall adhere to all applicable Local, State, National and International Laws, Rules, and Regulations. They shall conduct all business and affairs of Yantra India Limited, in accordance with the prevailing legal framework.

5.2 **Promote Inclusivity**: The endeavour of a Board Member or Senior Executive of the Company is to see that the workplace is free from discrimination and harassment based on race, colour, religion, age, gender, national origin, disability, veteran status, or any other biases.

5.3 **Safe and Healthy Environment at Work Place**: The Board Member and Senior Executive shall strive to provide a safe and healthy working environment and comply, with all regulations regarding the preservation of the environment.

5.4 **Quality of Working Life:** The Board Member and Senior Executive shall ensure that a conducive working and business environment is created for all employees to enable them to deliver their best. The Board Members and Senior management would be responsible for ensuring human dignity to all employees and would encourage and support the professional development of the employees by providing them all necessary assistance and cooperation, thus enhancing the quality of life at the workplace. The mechanism shall be in place to treat the other members of the Board and the other persons connected with the Company with respect, dignity, fairness and courtesy.

5.5 **Integrity & Transparency**: A Board Member or Senior Executive shall strive continuously to bring about integrity and transparency in all spheres of their activities: -

a) Work unstintingly for the eradication of corruption in all spheres of life.

b) Remain vigilant and work towards the growth and reputation of the Company.

c) Discharge their responsibilities without fear or favour.

5.6 **Value-Based Conduct**: The Board Members and Senior Executive are expected to conduct themselves either on or off duty, in such a manner that their personal attitude and behaviour shall bring pride to the Company, not only within the organisation but also public at large and provide value-based services to all stakeholders.

5.7 **Identify, Mitigate and Manage Business Risks**: The Board Members and Senior Executive shall follow the risk management Framework of the company to identify the business risks that surround the function or area of operation of the Company to assist in the company-wide process of managing such risks, so that company may achieve its wider business objectives.

6. **SPECIFIC PROFESSIONAL RESPONSIBILITIES:** This section details specific professional conduct expected from Board Members and Senior Executives, in the discharge of their Roles & responsibilities.

6.1 **Live the Vision, Mission & Value:** The Board Members and Senior Executive are expected to act in the best interest of the Company and live with the Vision, Mission and value of the organization.

Vision:- The vision statement of YIL is-

i To Become a Market Leader, Supplying the Highest Quality Hardware/Components to other Defence PSUs that are ultimately used for Manufacturing State-of-the-art Ammunition and Battlefield Equipment for Armed Forces.

ii To Promote Export and Emerge as a Prominent International Player in the Defence and Aerospace Industry.

Mission:- The mission of YIL is-

i To equip our Armed Forces with Modern "Defence and Battlefield Equipment".

ii To be a prominent Patron of Atma-Nirbhar Bharat Abhiyan in the Defence Aerospace Sector.

iii To Equip Ourselves with Technologies Through Acquisition, Synergy and In-House R&D.

iv To Continuously Improve Quality.

v To improve Operational efficiency by Continuously modernising our Production Facilities & by Training and motivating our workforce through extensive use of Information Technology.

vi To Strengthen the Brand "YANTRA" by providing Quality and Value for Money, increasing the Customer Base in Defence, Non-Defence and Export Markets and Establishing a Global Presence.

6.2 **Prioritize Company's Interest**: The Board Members Senior Executive shall consistently prioritize the interests of Yantra India Limited above personal or third-party interests. Their actions and decisions should align with the Company's goals, fostering its growth and reputation.

6.3 **Accountability Towards Company's Stakeholders**: All of those with whom the Company are associated directly or indirectly, be it customers, vendors, employees or society, are the stakeholders of the Company. The Board members and Senior Executives shall keep in mind that they will be accountable to all stakeholders.

6.4 **Active Participation in Decision-making**: A Board Member or the Senior Executive shall engage proactively in the decision-making process. Their expertise and insights should facilitate arriving at the decision, after due diligence and care for the business of the Company and in the best interest of all stakeholders. A Non-Executive Board Member must devote such time, as is necessary to carry out the duties of the Non-Executive Board Member or a member of the committee as the case may be.

6.5 **Maintaining Confidentiality**: The Board Members and Senior Executive shall maintain the confidentiality of all confidential or unpublished information, whether belonging to the Company or party with whom the Company has a relationship, entrusted to them or that comes to them from whatever source, in his or her capacity as Board Member or Senior Executive, except when such disclosure is authorized by the Board or warranted by the Law.

6.6 **Avoid Personal Gain from Inside Information**: The Board Members and Senior Executive shall not use the information, which he/she has due to his/her post in the Company, to gain personal advantage. Such information received by him/her, in the course of the exercise of respective duties, remains the property of the Company.

6.7 **Avoiding Prejudice Statements at Public Forum:** A Board Member or the Senior Executive must not engage in conduct, or make any public statement likely to prejudice the Company's business or likely to harm, defame or otherwise bring discredit upon or denigrate the Company, fellow Board Members, Senior Management or other staff and may make such a statement, only if such person is empowered to do so by the Company.

6.8 **Receipt of Compensation from Sources other than Company**: A Board Member or Senior Executive shall not accept compensation, in any form, for services performed for the Company from any source other than the Company without limiting the foregoing, such persons may not accept from others a commission, or similar remuneration for any business transaction in which the Company is involved or for services rendered to the Company.

6.9 **Avoid any Inducement:** The Board Members, Senior Executive and the Company shall not directly or indirectly i.e. through his or her immediate family solicit personal fees, commissions or any gifts of significant value from persons or entities who deal with the Company in those cases where any such gifts are being made or could reasonably appear to have been made in order to influence such persons actions/decisions as a Member of the Board, or Senior Executives or where acceptance of the gift(s) could reasonably create or appear to create a conflict of interest or affect decision-making.

6.10 **Disclosure of Transaction:** A Board Member or Senior Executive shall make disclosure of related party transactions to the Company in the format provided under Accounting Standard 18 (AS-18) (Appendix - II) issued by the Institute of Chartered Accounts of India (ICAI) and/or any modification thereof.

6.11 **Manage Conflict of Interest:** A Board Member or Senior Executive shall recognize and address conflicts of interest with transparency and accountability. They should be scrupulous in avoiding conflicts of interest with the Company, disclose potential conflicts promptly, and follow established procedures to mitigate or prevent such conflicts.

6.12 **Outside Employment/Engagement:** A Board Member or Senior Executive is prohibited from engaging in any activity that interferes with his/her performance or responsibilities towards the Company or is otherwise in conflict with or prejudicial to the Company like simultaneous engagement/employment or Board Membership with competitors of the Company, from taking part in any activity that enhances or supports a competitor's position.

6.13 **Business Interests:** If any Board Member, Senior Executive or is considering the investment in the business of any competitor of the Company, Service provider or customer of the company, he or she must first take care to ensure that these investments do not compromise their responsibilities towards the Company. Before making such an investment in the business of a competitor, the Board Members and Senior Executive shall obtain prior approval from the Company.

6.14 **Non-Competition Commitment**: During their tenure, a Board Member or Senior Executives shall refrain from engaging in direct or indirect competition with Yantra India Limited's business interests.

6.15 **Asset Protection and Non-Wastage**: A Board Member or Senior Executive shall exhibit prudence in managing and safeguarding the Company's assets, including financial, intellectual, and physical assets. Preventing misuse, wastage, and unauthorized access to these assets is part of their responsible business conduct.

6.16 **Observe Corporate Discipline**: A Board Member or Senior Executive of the Company shall adhere to and abide by the decision of the team, even when in certain cases, he/she may not agree with it individually.

7 COMPLIANCE OF THE CODE:

7.1 It is important for the Board Member and Senior Executive to adhere to the principles expressed in this Code, and each of them should also encourage and support adherence by others with the objective of achieving technical and ethical excellence by the Company.

7.2 Adherence of professionals to the code of ethics is largely and generally a voluntary matter. However, if any of the Board Member or Senior Executive does not follow this Code, the Company reserves the right to take appropriate disciplinary action against the defaulter, in terms of prescribed Rules.

8 COMPLIANCE REPORTING:

8.1 **Annual Affirmation:** All Board Members and Senior Executive shall on an annual basis, affirm compliance with this Code and the CMD or the Managing Board Member shall in turn declare the same in the Annual Report. The Annual Compliance Report in the format given in **Appendix – I** shall be forwarded to the CMD or the officer specifically designated by the Board of Members.

8.2 **Communication on Departure**: If any Board Member or Senior Executive leaves the Company, at any time during a financial year, he shall send a communication to the CMD or the designated officer affirming compliance with the Code till the date of his/her association with the Company.

9 PUBLICATION:

The Code and any amendments shall be hosted on the website of the Company. All Board Members and Senior Executives shall send an acknowledgement of receipt of this Code.

10 AMENDMENTS/CLARIFICATION:

10.1 The Board Members, Director/HR or any officer designed by the Board holds the authority to provide official clarifications and explanations on the rules or any part thereof. The designated officer shall assist in facilitating such clarifications and ensure a clear understanding of the rules and their application.

10.2 The provisions of this code can be amended/modified by the Board Members of the Company from time to time in line with any changes in law, changes in the Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board.

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APPENDIX-I

ANNUAL COMPLIANCE REPORT

I_________________________________do hereby solemnly affirm that to the best of my knowledge and belief, have fully complied with the provisions of the CODE OF BUSINESS CONDUCT & ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OFFICERS during the financial year ending 31ST March _________

Signature: ______________________________

Name: ________________________________

Designation: __________________________

Date: __________________________

Place:________________________________

APPENDIX-II

The Board Member, Senior Executive shall disclose the following in respect of all transactions with related parties, as covered in AS-18 issued by ICAI:

(i) The Name of the transacting related party.

(ii) A description of the relationship between the parties.

(iii) A description of the nature of transactions.

(iv) Volume of the transactions either as an amount or as an appropriate proportion.

(v) Any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature: ______________________________

Name: ______________________________

Designation: ______________________________

Date: ______________________________

Place: ______________________________

Appendix III

Yantra India Limited

<u>Code of Business Conduct & Ethics</u>

For

<u>Board Members and Senior Executives</u>

ACKNOWLEDGEMENT FORM

I…………………………………………………………………… have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR EXECUTIVES. I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature:…………………………………………………………………

Name:……………………………………………………………………….

Designation:……………………………………………………………….

Date:………………………………………………………………………….

Place:…………………………………………………………………………