

## **BGR ENERGY SYSTEMS LIMITED**

### **Code of practices and procedures for fair disclosure of unpublished price sensitive information (Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)**

#### **Purpose:**

The Board of Directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a Code of practices and procedures for fair disclosure ("the policy") of unpublished price sensitive information ("UPSI") that it would follow in order to adhere to each of the principles as stated in Schedule A of the Securities and Exchange Board of India (Prohibition of Insider Trading) Amendment Regulations, 2018 ("the Regulations").

#### **Preamble:**

The Board of Directors of the Company, formulated and adopted the policy for the Company in compliance with Chapter IV read with Schedule A of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 by passing a resolution dated April 28, 2015. Now with the coming into effect of Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, it is mandatory for the Board of Directors of the company to make a policy for determination of "legitimate purposes" for communication of UPSI as a part of "Codes of Fair Disclosure and conduct". Hence, the existing code of practices and procedures for fair disclosure of UPSI which is applicable till March 31, 2019 is replaced with a new code as per Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which will be **effective from April 01, 2019**. The following new code will be intimated to the Stock Exchanges and published on the official website of the Company [www.bgrcorp.com](http://www.bgrcorp.com)

The Equity Shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE), collectively referred to as the Stock Exchanges.

#### **Code of Fair Disclosure of the Company**

- 1) The Company shall promptly disclose to the public all of unpublished price sensitive information (UPSI) that would impact price discovery no sooner than credible and reliable information comes into being in order to make such information generally available.
- 2) The Company shall follow uniform and universal dissemination of UPSI to avoid selective disclosure.

- 3) The Board of Directors designated Mr. R. Ramesh Kumar, Company Secretary as the Chief Investor Relations Officer of the Company to deal with dissemination of information and disclosure of UPSI.
- 4) In the event of any UPSI getting disclosed selectively either inadvertently or otherwise, the Company shall ensure prompt dissemination of UPSI as generally available, by publishing the same on Company's website [www.bgrcorp.com](http://www.bgrcorp.com)
- 5) The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 6) The Company shall ensure that information shared with analysts and research personnel of market intermediaries is not UPSI.
- 7) The Company shall develop best practices to make transcripts or record of proceedings of meetings with analyst and conference call with investors/analysts are promptly published on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- 8) The Company shall handle all UPSI on a need-to-know basis.
- 9) Any amendment of the Policy, upon approval of the Board of the Company, shall be intimated to the Stock Exchanges and shall also be updated in the company's official website.

#### **Policy for determination of "Legitimate Purposes"**

1. The Company shall ensure that no insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. The Company shall ensure that no person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. The term "legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

4. The Company shall ensure that any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
5. The Company may allow the communication of any unpublished price sensitive information in connection with a transaction that would:
  - (i) entail an obligation to make an open offer under the takeover regulations where the Board of directors is of informed opinion that sharing of such information is in the best interests of the Company;
  - (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.
  - (iii) to ensure that the parties execute agreements to contract confidentiality and non disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub regulation (3) of Regulation 3, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
6. The Company will arrange to maintain a structured digital database containing the names of such persons or entities as the case may be with whom information for furtherance of the legitimate purpose is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non tampering of the database.