



BGR ENERGY SYSTEMS LIMITED

CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS *(Pursuant to Securities Exchange Board of India, (Prohibition of Insider Trading) Regulations, 2015*

OBJECTIVE OF THE CODE

This Code of Conduct ("Code") is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by Designated Persons and their immediate relatives.

BACKGROUND

The Board of Directors of the Company have formulated and adopted this Code. The Code of Conduct was approved by the Board of Directors on June 12, 2008 and the same was replaced by the Board effective from May 15, 2015, April 01, 2019 in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulation"). The existing code of conduct is replaced with a new code of conduct as per SEBI (PIT) (Third Amendment) Regulations, 2024. The following new code will be intimated to the Stock Exchanges and published on the official website of the Company www.bgrcorp.com

1 DEFINITIONS

- a) "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992)
- b) "**Board**" means the Securities and Exchange Board of India;
- c) "**compliance officer**" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be;

"financially literate" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

d) "**Connected person**" means -

i. any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,

a. a relative of connected persons specified in clause (i); or

b. a holding company or associate company or subsidiary company; or

c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or

d. an investment company, trustee company, asset management company or an employee or director thereof; or

e. an official of a stock exchange or of clearing house or corporation; or

f. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or

g. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

i. a banker of the company; or

j. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten per cent. of the holding or interest or;

k. a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or

l. a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may seemingly not occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

e) "**generally available information**" means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media ;

NOTE: It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what constitutes unpublished price sensitive information. Information published on the website of a stock exchange, would ordinarily be considered generally available.

f) "**immediate relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

g) "**insider**" means any person who is:

i. a connected person; or

ii. in possession of or having access to unpublished price sensitive information;

NOTE: Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered as an "insider" regardless of the manner in which one came into possession of or had access to such information. Various circumstances are provided to enable such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling

the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

- h) "**promoter**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

(ha.) "promoter group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

(hb.) "proposed to be listed" shall include securities of an unlisted company:
(i) if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or

(ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;

(hc) "relative" shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;
- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at sub-clause (iii); and
- (vi) spouse of the person listed at sub-clause (iv)

NOTE: It is intended that the relatives of a "connected person" too become connected persons for the purpose of these regulations. It is a rebuttable presumption that a connected person had UPSI.

- i) "**securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof;
- j) "**specified**" means specified by the Board in writing;
- k) "**takeover regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

- l) **"trading"** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;

NOTE: Under the parliamentary mandate, since the Section 12A (e) and Section 15G of the Act employs the term 'dealing in securities', it is intended to widely define the term "trading" to include dealing. Such a construction is intended to curb the activities based on unpublished price sensitive information which are strictly not buying, selling or subscribing, such as pledging etc when in possession of unpublished price sensitive information.

- m) **"trading day"** means a day on which the recognized stock exchanges are open for trading;

- n) **"unpublished price sensitive information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

i. financial results;

ii. dividends;

iii. change in capital structure;

iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;

v. changes in key managerial personnel; other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor; and

vi. change in rating(s), other than ESG rating(s);

vii. fund raising proposed to be undertaken;

viii. agreements, by whatever name called, which may impact the management or control of the company;

ix. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;

x. resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;

xi. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;

xii. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;

xiii. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;

xiv. outcome of any litigation(s) or dispute(s) which may have an impact on the company;

xv. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;

xvi. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

NOTE: It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

2. TRADING BY INSIDER COMMUNICATION/RESTRICTIONS/EXEMPTIONS

(1)No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be

listed, 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) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(2A) The board of directors of a listed company shall make a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" formulated under regulation 8.

Explanation- For the purpose of illustration, 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.

(2B) 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.

(3) Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, 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 of the listed company is of informed opinion that the sharing of such information is in the best interests of the company;

NOTE: It is intended to acknowledge the necessity of communicating, providing, allowing access to or procuring UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to assess a potential investment. In an open offer under the takeover regulations, not only would the same price be made available to all shareholders of the company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations.

ii. not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that the sharing of such information proposed transaction 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

being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts .

NOTE: It is intended to permit communicating, providing, allowing access to or procuring UPSI also in transactions that do not entail an open offer obligation under the takeover regulations, when authorised by the board of directors if sharing of such information is in the best interests of the company. The board of directors, however, would cause public disclosures of such unpublished price sensitive information well before the proposed transaction to rule out any information asymmetry in the market.

(4) For purposes of sub-regulation (3), the board of directors shall require the parties to 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), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

(5) The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.”

Provided that entry of information, not emanating from within the organisation, in structured digital database may be done not later than 2 calendar days from the receipt of such information.

(6) The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.”

3. COMPLIANCE OFFICER

3.1 The Company Secretary is the Compliance Officer who shall report to the Board and shall provide reports to the Chairman of the Audit Committee at such frequency as may be stipulated by the Board.

3.2 The Compliance Officer shall prior to approving any trade, be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of

any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

3.3 Trading Plan:

1. An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

NOTE: This provision intends to give an option to persons who may be perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre-decided even before the unpublished price sensitive information came into being.

2. Such trading plan shall:–

i. not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days–from the public disclosure of the plan;

NOTE: It is intended that to get the benefit of a trading plan, a cool-off period of one hundred and twenty calendar days is necessary. Companies declare their results quarterly and there exists a trading restriction, in terms of these Regulations, from quarter end to two days after declaration of quarterly result, which, it is seen, is generally a period of around one month for most companies. Thus, one hundred and twenty calendar days period is considered reasonably long for unpublished price sensitive information that is in possession of the insider when formulating the trading plan, to become generally available. It is also considered to be a reasonable period for a time lag in which new unpublished price sensitive information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same unpublished price sensitive information both at the time of formulation of the plan and implementation of the same.

ii. not entail overlap of any period for which another trading plan is already in existence;

NOTE: It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an insider to time the publication of the unpublished price sensitive information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.

iii. set out following parameters for each trade to be executed:

- (i) either the value of trade to be effected or the number of securities to be traded;
- (ii) nature of the trade;
- (iii) either specific date or time period not exceeding five consecutive trading days;
- (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:

a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;

b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

Explanation:

(i) While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional.

(ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral.

(iii) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.

NOTE: It is intended that while regulations should not be too prescriptive and rigid about what a trading plan should entail, they should stipulate certain basic parameters that a trading plan should conform to and within which, the plan may be formulated with full flexibility. The nature of the trades entailed in the trading plan i.e. acquisition or disposal should be set out. The trading plan may set out the value of securities or the number of securities to be invested or divested. Specific dates or specific time period may be set out in the plan. However, there should be an outer limit on the duration of the time period, so that while it allows the insider to split their trades across different dates, duration should not be so long that it is prone to misuse.

Further, to protect the insider from unexpected price movements, he may, at the time of formulation of trading plan, provide price limits within the range specified in these Regulations

iv. not entail trading in securities for market abuse.

NOTE: Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. For instance, in the event of manipulative timing of the release of unpublished price sensitive information to ensure that trading under a trading plan becomes lucrative in circumvention of regulation 4 being

detected, it would be open to initiate proceedings for alleged breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.

3. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

NOTE: It is intended that the compliance officer would have to review and approve the plan. For doing so, he may need the insider to declare that he is not in possession of unpublished price sensitive information or that he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences executing his trades. Once satisfied, he may approve the trading plan, which would then have to be implemented in accordance with these regulations.

4. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation.

Provided further that if the insider has set a price limit for a trade, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

Explanation: In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in sub-regulation 4 or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

(i) The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.

(ii) Upon receipt of information from the insider, the compliance officer, shall place such

information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.

(iii) The decision of the Audit Committee shall be notified by the compliance officer on the

same day to the stock exchanges on which the securities are listed.

(iv) In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per the Code of Conduct.”

NOTE: It is intended that since the trading plan is an exception to the general rule that an insider should not trade when in possession of unpublished price sensitive information, changing the plan or trading outside the same would negate the intent behind the exception. Other investors in the market, too, would factor the impact of the trading plan on their own trading decisions and in price discovery. Therefore, it is not fair or desirable to permit the insider to deviate from the trading plan based on which others in the market have assessed their views on the securities except in situations beyond the control of the insider.

The first proviso is intended to address the prospect that despite the one hundred and twenty calendar days gap between the formulation of the trading plan and its commencement, the unpublished price sensitive information in possession of the insider is still not generally available. In such a situation, commencement of the plan would conflict with the over-riding principle that trades should not be executed when in possession of such information. If the very same unpublished price sensitive information is still in the insider’s possession, execution of the trading plan should not be commenced

The second proviso is intended to address the scenario where the insider has set a price limit for a trade and due to adverse fluctuation in market prices, the price of the security is outside the price limit set by the insider, the trade shall not be executed. However, if the insider wishes to trade irrespective of the fluctuation in market price, he may not set any price limit at the time of formulation of the trading plan.

5. The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

NOTE: It is intended that given the material exception to the prohibitory rule in regulation 4, a trading plan is required to be publicly disseminated. Investors in the

market at large would also factor the potential pointers in the trading plan in their own assessment of the securities and price discovery for them on the premise of how the insiders perceive the prospects or approach the securities in their trading plan.

4.Trading Window and Window Closure

(i) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.

(ii) The trading window shall be, inter alia, closed from the end of every quarter till 48 hours after the declaration of financial results.

(iii) In case, the Board Meeting is being convened at shorter notice or SEBI (LODR) Regulations permits issue of short notice of Board meeting for such matters then the period of closure shall be effective from the date on which the Company sends intimation to Stock Exchange advising the date of the Board Meeting, upto 48 hours after the Price sensitive information is submitted to the Stock Exchange.

(iv) The Compliance Officer shall also close the trading window when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

(v) When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such period. The period during which the trading window is closed shall be a termed as prohibited period.

(vi) All Specified Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) Above or during any other period as may be specified by the Company from time to time.

(vii) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

4.1 The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

4.2 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

4.3 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultant, merchant banker, Banks etc., assisting or advising the Company.

4.4 Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information. The trading window restrictions shall not apply in respect of – (a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board; (b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer[or transactions which are undertaken through such other mechanism.

5.Pre-Clearance of Trades

5.1 All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades during free period is above 50,000 shares or up to Rs. 10 Lakhs (market value) or 1% of total shareholding, whichever is less, should pre-clear the transaction at least one day prior to such execution. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

(i) An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Specified Employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

(ii) An undertaking (Annexure 2) shall be executed in favour of the Company by such Specified Employee incorporating, inter alia, the following clauses, as may be applicable:

(a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.

(b) That in case the Specified Employee has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.

(c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.

(d) That he/she has made a full and true disclosure in the matter.

(iii) All Specified Persons and they shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Specified Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (Refer Annexure 3 & 4).

(iv) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.

(v) All Specified Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act. Provided that this shall not be applicable for trades pursuant to exercise of stock options. In case of subscription in the primary market (initial public offers), the above-mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

(vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

(vii) Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, etc., that may be imposed, by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, for the contravention of the code of conduct.

(viii) Any violation of the PIT Regulations is liable to be reported to SEBI by the Compliance Officer in such form and such manner as may be specified by the Board from time to time.

OTHER RESTRICTIONS

1.1 All Directors, Officers, Designated Employees of the Company and their dependent family members shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.

1.2 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

1.3 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.

1.4 The disclosures made under this Code shall be maintained for a period of five years

Reporting Requirements for transactions in securities

1. Initial Disclosure

Every person on appointment as a keymanagerial personnel or a director of the Company or upon becoming a member of promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a member of promoter group, to the Company within 7 (seven) days of such appointment or becoming a member of promoter group (Annexure 5) (as prescribed or amended by SEBI, from time to time)

2. Continual Disclosure

2.1 Every promoter, member of the promoter group, designated person (including their immediate relatives) and director of the Company shall disclose to the Company in the format set out in Annexure 6 (as prescribed or amended by SEBI, from time to time) the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakh Only) or such other value as may be specified. The disclosure shall be made within 2 days of:

- (a) The receipt of intimation of allotment of shares, or
- (b) The acquisition or sale of shares or voting rights, as the case may be.

2.2 Disclosure by other Connected Persons: The Compliance Officer at his discretion may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of Company as and when he deems fit in order to monitor compliance with these Regulations in the format set out in Annexure 7 (as prescribed or amended by SEBI, from time to time).

2.3 Disclosure by other Connected Persons:

i. One Time:

The Designated person shall disclose the following information (in a format as may be prescribed by the Compliance Officer), one time basis, to Company within 15 days from the date on which this code shall become effective;

(a) his/her Phone, mobile and cell numbers

(b) his/her Permanent Account Number or any other identifier authorized by law

ii. Annual Disclosure and Continual Disclosure

The Designated person shall disclose the following information (Annexure 5 or such form as may be prescribed by the Compliance Officer), on annual basis, to Company within 30 days from the end of the Financial Year and on continual disclosure basis, as and when the information changes within 2 days of such change;

(i) Name of Immediate Relatives

(ii) persons with whom such designated person(s) shares a Material Financial Relationship

(iii) Permanent Account Number or any other identifier authorized by law of (i) & (ii)

(iv) Phone, mobile and cell numbers of (i) & (ii) Explanations: -“Material Financial Relationship” shall mean a relationship as relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

2.4 Designated Persons Disclosure

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

a) immediate relatives

b) persons with whom such designated person(s) shares a material financial relationship

c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift 115[from a designated person] during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person] but shall exclude relationships in which the payment is based on arm’s length transactions.]

3. Disclosure by the Company to the Stock Exchange(s)

3.1 Within 2 days of the receipt of intimation under Clause 8.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

3.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated person for a minimum period of five years.

4. Dissemination of Price Sensitive Information

4.1 No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

4.2 Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors: The following guidelines shall be followed while dealing with analysts and institutional investors

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet

5. Insider role, responsibility and liability on sensitive transactions

Refer Point XIV of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and enquiry in case of leak Unpublished Price Sensitive Information.

6. Penalty for contravention of the code of conduct

6.1 Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

6.2 Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

6.3 Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include: a. Verbal or Written Warning; b. Organizing training sessions for other Employees and Insiders; c. Internal Action, e.g. freeze on Wage/increment/promotion, change in role, job level etc.; d. Monetary Penalty as may be deemed appropriate by the Committee depending on the severity of each case; e. Suspension or Employment Termination

The sanctions stated above are not mutually exclusive and more than one can be applied in a particular case. This section serves as a guide for determining the appropriate sanction for the Code or Policy breach and the Inquiry Committee may decide any other actions not listed above as it may feel necessary based on the circumstances of the case.

6.4 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

7. Internal Control System

The Managing Director of IMIL shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and regulations to prevent insider trading.

8. Review of Compliances of Regulations and Verification of Internal Control System

The Audit Committee of IMIL shall review compliance with the provisions of these Code and Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

9. Amendments to this Code Any subsequent amendment/ modification in the PIT Regulations, Companies Act 2013, listing regulations and/ or other applicable laws in this regard shall automatically apply to this Code.

10. Authority to make alterations

The Board reserves the right to amend or modify this Policy in whole or in part, as it may deem appropriate to ensure compliance with PIT Regulations.

11. Code of Fair Disclosure:

A code of practices and procedures for fair disclosure of un-published price sensitive information for adhering each of the principles are set out in Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information

ANNEXURE-1

SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

DATE:

To,

The Compliance Officer
BGR ENERGY SYSTEMS LIMITED
Plot No E4, Pannamgadu Industrial Estate, Ramapuram Post, Tada Mandalam,
Tirupathi Dist, Andhra Pradesh, India, 524401

Dear Sir/Madam, Application for Pre-dealing approval in securities of the Company Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval to purchase / sale / subscription of _____ equity shares of the Company as per details given below:

1	Name of the applicant	
2	Designation	
3	Number of securities held as on date	
4	Folio No. / DP ID / Client ID No.	
5	The proposal is for (a) Purchase of securities (b) Subscription to securities (c) Sale of securitie	
6	Proposed date of dealing in securities	
7	Estimated number of securities proposed to be acquired/subscribed/sold	
8	Price at which the transaction is proposed	
9	Current market price (as on date of application)	
10	Whether sharing of such information will be through stock exchange or off-market deal	
11	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

Signature of the Designated Person

ANNEXURE 2

FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE UNDERTAKING

To,

The Compliance Officer
BGR ENERGY SYSTEMS LIMITED
Plot No A5, Pannamgadu Industrial Estate, Ramapuram Post, Tada Mandalam,
Tirupathi Dist, Andhra Pradesh, India, 524401

I, _____, _____ (Designation) of the Company residing at _____, am desirous of dealing in * shares of the Company as mentioned in my application dated _____ for preclearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within (2) Two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken. If approval is granted,

I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter

Date:

Signature: _____

*Indicate number of shares

Annexure-3

FORMAT FOR PRE- CLEARANCE ORDER

To,

Name:

Designation:

Place:

This is to inform you that your request for dealing in (nos) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company.

Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

For BGR ENERGY SYSTEM LIMITED

COMPLIANCE OFFICER

Date: _____

Encl: Format for submission of details of transaction (Refer Annexure 4)

ANNEXURE 4

FORMAT FOR DISCLOSURE OF TRANSACTIONS (To be submitted within 2 days of transaction / dealing in securities of the Company)

To,

The Compliance Officer
BGR ENERGY SYSTEMS LIMITED
Plot No A5, Pannamgadu Industrial Estate, Ramapuram Post, Tada Mandalam,
Tirupathi Dist, Andhra Pradesh, India, 524401

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to _____ securities as mentioned below on _____ (date)

Name of holder	No. of securities dealt with	Bought/sold/subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

To sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Date:

Signature: _____

Name:

Designation:

ANNEXURE 5 FORM B

**SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on
becoming a Key Managerial Personnel/Director/Promoter/Member of
the promoter group]**

Name of the company: _____

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Name, CIN/DIN & Address with contact nos.	PAN	Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director or Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
				Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6	6

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of KMP or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature: _____

Designation: _____

Date: _____

Place: _____

ANNEXURE 6

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoter/member of the promoter group/designated person/Director/s/immediate relative to/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed to				Securities held post acquisition/disposal		Date of allotment advice/acquisition of shares/disposal of shares, specify		Date of intimation to company	Mode of acquisition/disposal (on market/public/rights/preferential offer/off market/Inter-se transfer, ESOPs, etc.)	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of share holding	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No.	Value	Transaction Type (Purchase/sale Pledge / Revocation / Invocation/ Others-please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of share holding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
(ii) Value of transaction excludes taxes/brokerage/any other charges

Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature: _____

Designation: _____

Date: _____

Place: _____

ANNEXURE 7

FORM D (Indicative format)

SEBI (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by Other connected persons as identified by the company

Details of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ disposal of shares specify		Date of intimation to company	Mode of acquisition/ disposal (on market/ public/ rights/ Preferential offer / off market/ Inter-se transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of shareholding	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No.	Value	Transaction Type (Purchase/Sale/Pledge/Revocation/Invocation/Others-please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of share holding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

(ii) Value of transaction excludes taxes/brokerage/any other charges

Details of trading in derivatives on the securities of the company by other connected persons as identified by the company

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:

Signature:

Place: