



**BHARAT SEATS LIMITED**

**Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive  
Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by  
Insiders**

## 1. Definitions

1.1 **“Act”** means the Securities and Exchange Board of India Act, 1992.

1.2 **“Board”** means the Board of Directors of the Company.

1.3 **“Code” or “Code of Conduct”** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Bharat Seats Limited as amended from time to time.

1.4 **“Company”** means Bharat Seats Limited.

1.5 **“Compliance Officer”** means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 Company.

Explanation – For the purpose of this regulation, “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.

1.6 **“Connected Person”** means:

(i) any person who is or has during the six months prior to the concerned Act been associated with the company, directly or indirectly, in any capacity 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 between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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) an immediate 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

- (g) 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 recognized 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

1.7 **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

1.8 **Designated Employee(s)** shall include:

- (i) every employee in the grade of Senior Managers and above;
- (ii) every employee in the finance, accounts, secretarial and legal department as maybe determined and informed by the Compliance Officer; and
- (iii) any other employee as may be determined and informed by the Compliance Officer from time to time.

1.9 **“Director”** means a member of the Board of Directors of the Company.

1.10 **“Employee”** meanseveryemployeeoftheCompanyincludingtheDirectorsinthe employment of the Company.

1.11 **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.

1.12 **"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

1.13 **“Insider”** means any person who is:

- i. a connected person; or
- ii. in possession of or having access to unpublished price sensitive information.

1.14 **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013.

1.15 **"Promoter"** 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:

1.16 **"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

1.17 "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

1.18 "**Takeover regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

1.19 "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

1.20 "**Trading Day**" means a day on which the recognized stock exchanges are open for trading;

1.21 "**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, delisting, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel;

1.22 "**Regulations**" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

1.23 "**Specified Persons**" means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relatives' are collectively referred to as Specified Persons. 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 thereunder shall have the meanings respectively assigned to them in those legislation.

## **2. Role of Compliance Officer**

2.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as the Board of Directors may stipulate for compliance of these regulations.

2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, any amendments thereof and the Company's Code of Conduct.

### **3. Determination of legitimate purposes**

The purpose for determination of legitimate purpose is to perform duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities.

3.1 **“Legitimate Purposes”** shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

- a. Promoters of the Company
- b. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
- c. Staff Members of the Audit firm/team conducting the Audit
- d. Collaborators
- e. Lenders
- f. Customers
- g. Suppliers
- h. Bankers
- i. Legal Advisors
- j. Insolvency Professionals
- k. Consultants
- l. Any other advisors/consultants/partners
- m. Any other person with whom UPSI is shared

3.2 Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an “insider” for purposes of the SEBI PIT Regulations and due notice shall be given to such person to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations. Such person is also required to ensure the confidentiality of unpublished price sensitive information shared with him /her, in compliance with the Regulations.

### **3.3 Maintenance of database:**

a) A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of maintenance of a digital database for sharing the information for said legitimate purposes. Documents containing confidential information shall be kept secured. Computer files must have adequate security login and password, etc.

b) Maintain database for the violation of the code of conduct by designated persons and immediate relatives of designated persons that would entail initiation of appropriate action against them.

### **3.4 Restrictions on communication and trading by insiders**

No insider shall trade in securities of the company when in possession of unpublished price sensitive information.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following:

(i) the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulations and both parties had made a conscious and informed trade decision

Provided that such unpublished price sensitive information was not obtained under these regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. The company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

(ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulations and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under these regulations.

(iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

(iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations

(v) in the case of non-individual insiders:–

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(vi) the trades were pursuant to a trading plan set up in accordance with regulation. In the case of connected persons the onus of establishing, that they were not in possession of unpublished price

sensitive information, shall be on such connected persons and in other cases, the onus would be on SEBI

The SEBI may specify such standards and requirements from time to time, as it may deem necessary for the purpose of these regulations.

#### **4. Preservation of “Unpublished Price Sensitive Information”**

4.1 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-

entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company; or 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. For the above said purpose, 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

#### **4.2 Need to Know:**

(i) “need to know” basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

(ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

#### **4.3 Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

#### **5. Prevention of misuse of “Unpublished Price Sensitive Information”**

Employees and connected persons designated on the basis of their functional role ("designated persons") in the Company shall be governed by an internal code of conduct (available on the

website of the company) governing dealing in securities.

5.1 Trading Plan: An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

5.2 Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and these cond trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelvemonths;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) not entail trading in securities for market abuse.

5.3 The Compliance Officer shall review the Trading Plan made as above to assess whether the plan would have any potential for violation of the regulations and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

5.4 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

5.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **6. Trading Window and Window Closure**

6.1 (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 generally be closed for all Insiders from the end of every quarter till 48 hours after the declaration of financial results.

Other than trading window closure for quarterly financial results, there can be other event-based situations during which the trading window must be closed.

The SEBI PIT Regulations envisage the following situations, which are deemed to be UPSI (as per the definition of UPSI in SEBI PIT Regulations), during which the Trading Window must be closed:-

- (i) dividends;
- (ii) change in capital structure;
- (iii) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (iv) changes in key managerial personnel

In the above cases, the trading window shall remain closed from the time this information being UPSI had originated till the time this event is disclosed by the Company publicly and / or to the stock exchanges or this event is abandoned by the Company. Other than the above mentioned events, there can be many other events which can be UPSI and trading window must be closed from the time UPSI had originated till such events are publicly disclosed by the Company.

- (iii) When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such period.

- (iv) 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.

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.

6.2 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.

6.3 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.

6.4 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, consultants etc., assisting or advising the Company.

## **7. Pre-clearance of trades**

All Specified Persons, who intend to deal in the securities of the Company in excess of 500 equity shares when the trading window is opened shall pre-clear the transaction. 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. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan and trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan. The pre- dealing procedure shall be here under:

(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 their relatives shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance (Annexure 3) 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. (Annexure4).

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

(iv) 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.

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.

(v) 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.

## **8. Other Restrictions**

**8.1** 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.

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

## **9. Reporting Requirements for transactions in securities Initial Disclosure**

9.1 Every promoter/member of promoter group/ Key Managerial Personnel / Director / Officers / Designated Employees of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form (Annexure5).

9.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter or member of promoter group, to the Company within seven days of such appointment or becoming a promoter (Annexure-5) and in case of any change intimate in prescribed form (Annexure-6).

## **Continual Disclosure**

9.3 Every promoter, member of promoter group/designated person and director of the Company shall disclose to the Company 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. Ten lakhs.

The disclosure shall be made within 2 working 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 maybe.

## **10. Disclosure by the Company to the Stock Exchange(s)**

10.1 Within 2 days of the receipt of intimation under Clause 9.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

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

## **11. Dissemination of Price Sensitive Information**

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

11.2 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.

## **12. Penalty for contravention of the code of conduct**

12.1 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).

12.2 Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company and such violations to be reported to SEBI as per provisions in this regard.

12.3 Specified Persons who violate the Code shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc. Any financial penalty levied by the company to be reported to SEBI as per relevant clauses of SEBI (Prohibition of Insider Trading) Regulations, 2015 (Penalty to be deposited with SEBI).

12.4 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.

## **13. Code of Fair Disclosure**

A code of practices and procedures for fair disclosure of unpublished price sensitive information

for adhering each of the principles is set out below:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.
9. Posting of this code on company's website

#### **14. Preservation of Unpublished Price Sensitive Information**

14.1 Access to Unpublished Price Sensitive information shall be on a "need-to know" basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, in the course of performance of duties or in discharge of legal obligations.

14.2 Files containing Unpublished Price Sensitive Information shall be kept secure .Computer files shall have adequate security of login and passwords, etc. Guidelines for maintenance of electronic records and systems may be prescribed by the Compliance Officer from time to time in consultation with the person in-charge of the information technology function of the Company.

14.3 To prevent the misuse of UPSI, the Company adopts the "Chinese Wall" policy which separates those areas of the Company which routinely have access to UPSI, considered —"inside areas" from those departments which deal with sale/ marketing or other departments providing support services, considered—"public areas".

14.4 As per the said policy:-

- (i) The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- (ii) The Employees in inside area may be physically separated from the Employees in public area.
- (iii) Demarcation of the various departments as inside areas may be implemented by the Compliance Officer in consultation with the Board of Directors;

(iv) The Employees within the inside area of the Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately;

(v) The establishment of Chinese Wall is not intended to suggest that within inside areas material, Unpublished Price Sensitive Information can be circulate freely. Within inside areas, the need-to-know shall be in effect; and

(vi) Only in exceptional circumstances, Employees from the public are as may be permitted to 'cross the wall' are brought 'over the wall' and provided UPSI on "need to know" basis under intimation to the Compliance Officer. In such cases, the Compliance Officer shall ensure that all necessary restrictions are imposed on such Employee(s) in relation to protection of such Unpublished Price Sensitive Information.

### **15. Review of Compliance**

The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

### **16. Disclosure by designated persons**

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 (Annexure 7):

- 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 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.

### **17. Policy and procedure to be followed in case of leak of unpublished price sensitive information**

The policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information is enclosed as Annexure-8 and forms integral part of this policy.

### **18. Power to Amend the Code of Conduct**

The Board shall have absolute power to amend, modify, rescind and/or substitute this Code of Conduct and shall also have the powers to remove difficulty or settle any question that may arise under this Code of Conduct or any re-enactment thereof.

**SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL**

Date:  
 To,  
 The Compliance Officer,  
 Bharat Seats Limited  
 Plot no.1, Maruti Joint Venture Complex, Gurugram 122015

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 securities
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 the proposed transaction will be through stock exchange or off-market deal		
11.	Folio No. / DP ID / Client ID No. where the securities will be		

	credited / debited		
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I enclose herewith the form of Undertaking signed by me.

Yours faithfully

(Signature of  
Employee)



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

To,

The Compliance Officer,  
Bharat Seats Limited  
Plot no.1, Maruti Joint Venture Complex,  
Gurugram 122015

I, \_\_\_\_\_, \_\_\_\_\_ of the Company  
residing at \_\_\_\_\_, am desirous of dealing in  
\_\_\_\_\_ \*shares of the Company as mentioned in my  
application dated \_\_\_\_\_ for pre-clearance 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 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

**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 Bharat Seats Limited

COMPLIANCE OFFICER

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

Encl: Format for submission of details of transaction.

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

To,  
Bharat Seats Limited  
Plot no.1, Maruti Joint Venture Complex,  
Gurugram 122015

I hereby inform that I

- have not bought / sold/ subscribed any securities in excess of 500 number of equity shares of the Company
- have bought/sold/subscribed to securities as mentioned below on \_\_\_\_ (date)

<b>Name of holder</b>	<b>No. of securities dealt with</b>	<b>Bought/ Sold/ Subscribed</b>	<b>DP ID/ Client ID / Folio No</b>	<b>Price (Rs.)</b>

Yours faithfully

(Signature)

**FORMAT FOR INITIAL DISCLOSURE OF SECURITIES**

To,  
Bharat Seats Limited  
Plot no.1, Maruti Joint Venture Complex,  
Gurugram 122015

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on \_\_\_\_\_ (date of becoming Specified Person).

**I. Details of securities held by me:**

Type of Securities	No. of securities held	Folio No.	Beneficiary A/c Client ID

Yours faithfully

(Signature)

**DISCLOSURE OF CHANGE IN SHAREHOLDING**

To,  
 Bharat Seats Limited  
 Plot no.1, Maruti Joint Venture Complex,  
 Gurugram 122015

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of change in holding of securities of the Company:

<b>Name, PAN No. &amp; address of shareholder</b>	<b>No. of securities held before the transaction</b>	<b>Receipt of allotment advice/ acquisition of/sale of securities</b>	<b>Nature of Transaction &amp; quantity</b>	<b>Trading member through whom the trade was executed with SEBI Registration No. of the TM</b>	<b>Exchange on which the trade was executed</b>

Yours faithfully

(Signature)

**ANNUAL DISCLOSURE UNDER REGULATION 9 OF SECURITIES AND EXCHANGE BOARD OF INDIA  
(PROHIBITION OF INSIDER TRADING) AMENDMENT REGULATIONS, 2018 BY DESIGNATED  
PERSONS**

Date.....

To  
Bharat Seats Limited

Plot no.1,

Maruti Joint Venture Complex,

Gurugram 122015

I, ..... (Name), in my capacity as .....(designation) of the Company, holding PAN No....., graduated from .....hereby submit the following details:

RELATION	NAME OF IMMEDIATE RELATIVES	PAN	*MATERIAL FINANCIAL RELATIONSHIP	CONTACT NO.
Spouse				
Father				
Mother				
Son				
Daughter				
Brother				
Sister				

Further I hereby affirm that I do not have any material financial relationship with any other person. \*“(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 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..

Yours faithfully

(Signature)

**POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

**1. INTRODUCTION**

This Policy and Procedure for Inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information ("Policy") has been formulated by the Company in pursuance of regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015as amended ("Regulations").

**2. PURPOSE**

The Policy aims to provide a framework for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information. However, any instances of leak or suspected leak of Unpublished Price Sensitive Information reported under the Whistle Blower Policy of the Company shall be dealt with as per and under the Whistle Blower Policy of the Company.

**3. DEFINITIONS**

In this Policy, the following words and expressions, unless inconsistent with the context, shall bear the meanings assigned hereto:

"Competent Authority" means:

- (i) the Managing Director, in case of leak or suspected leak of UPSI involving any person other than the Director(s) of the Company;
- (ii) the Chairperson of the Audit Committee of the Company, in case of leak or suspected leak of UPSI involving any Director of the Company other than the Chairperson of the Audit Committee of the Company; and
- (iii) Chairperson of the Board of Directors of the Company, in case of leak or suspected leak of UPSI involving Chairperson of the Audit Committee of the Company;

"Unpublished Price Sensitive Information" or "UPSI" means any information, relating to the 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, de-listings, disposals and expansion of business and such other transactions; and

v) Changes in key managerial personnel.

The words and expressions used but not defined herein shall have the meanings as ascribed to them in the Regulations.

#### **4. INQUIRY PROCEDURE**

i) The information/complaint(s) regarding leak or suspected leak of UPSI will be reviewed by the Competent Authority. If an initial review by the Competent Authority indicates that the said information/complaint has no basis or it is not a matter to be investigated under this Policy, it may be dismissed at initial stage and the decision shall be documented. All such cases shall be reported to the Audit Committee in its next meeting.

ii) The Managing Director of the Company or the Chairperson of the Audit Committee or Chairperson of the Board of Directors may suo-moto initiate an inquiry under this Policy.

iii) Where initial inquiry indicates that further investigation is necessary, the Competent Authority shall make further investigation in such matter and may, where necessary, provide an update to the Board of Directors in this regard. The Competent Authority may appoint one or more person(s)/entity (ies) (including external consultant(s)) to investigate or assist in the investigation of any instance of leak or suspected leak of UPSI and such person(s)/entity(ies) shall submit his / her/ their report to the Competent Authority. During the course of investigation, the Competent Authority or the person(s) / entity(ies) appointed by the Competent Authority, as the case may be, may collect documents, evidences and record statements of the person(s) concerned.

iv) The investigation shall be a neutral fact-finding process. The Competent Authority shall endeavor to complete the investigation within 45 days of the receipt of the information / complaint of leak or suspected leak of UPSI or such instance coming to the knowledge of Competent Authority, as the case may be. Where the Competent Authority requires additional time to complete the inquiry, it may, where necessary, provide an interim update to the Board of Directors.

#### **5. DOCUMENTATION AND REPORTING**

The Competent Authority will make a detailed written record of investigation of each instance of leak or suspected leak of UPSI. The record will include:

- a) Facts of the matter
- b) Findings of the investigation.
- c) Disciplinary/other action(s) to be taken against any person.
- d) Any corrective actions required to be taken.

The details of inquiries made in these cases and results of such inquiries shall be informed to the Audit Committee and Board of Directors of the Company.



Further, the Company shall inform Securities and Exchange Board of India promptly of such leaks, inquiries and results of such inquiries.

## **6. AMENDMENT**

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as it may deem appropriate.