

# **MAHUA BHARATPUR EXPRESSWAYS LIMITED**

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

### **INTRODUCTION**

Insider trading means dealing in Securities of a company by connected persons or other Insiders based on Unpublished Price Sensitive Information. Such dealings by Insiders erode the investors' confidence in the integrity of the management and is unhealthy for the capital markets.

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992 which got amended from time to time. Lately SEBI, in order to further strengthen the Insider Trading norms and to curb the use of Unpublished Price Sensitive Information by the Insiders, has repealed SEBI (Prohibition of Insider Trading) Regulations, 1992 and notified SEBI (Prohibition of Insider Trading) Regulations, 2015 to replace the existing Regulations.

In accordance with the Regulations 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, Mahua Bharatpur Expressways Limited (hereafter called as the 'Company' has formulated Code of Conduct for Prevention of Insider Trading (hereinafter called "Code").

### **OBJECTIVE**

The objective of this Code is to enable the employees of the Company to appreciate the law relating to prohibition on Insider Trading and to apprise them about the Company's policy and Code for dealing in the securities of the Company for the benefit of and compliance by all concerned.

### **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 the Company Secretary and in his/her absence the Officer appointed by the Board of Directors of the Company for the purpose of this Code from time to time.
- (d) "Connected Person" means -
  - (i) any person, who is or has been during the six months prior to the concerned act 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 with the Company, such as auditor, accountancy firm, law firm, analyst, consultant assisting or advising the Company etc. 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 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 immediate relative or banker of the company, has more than ten per cent of the holding or interest;

(e) "Designated Persons" includes:

- a. Directors;
- b. Employees comprising the top three tiers of the Company management, below the Board level i.e. up to Asstt. General Managers.
- c. all employees in the Finance / Secretarial Department of the Company irrespective of any designation and Grade;
- d. Connected Person;

(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;

(h) "Key Managerial Person" has the same meaning as defined under Companies Act, 2013.

(i) "Regulations" means SEBI (Prohibition of Insider Trading) Regulations, 2015.

- (j) "Securities" means Shares, debentures or other marketable securities of the Company issued and / or to be issued from time to time and listed / to be listed on any recognized Stock Exchange.
- (k) "Threshold Limit" means the minimum number of securities as decided by the Board of Directors of the Company from time to time.
- (l) "Trading Window" means trading period for dealing in Company's securities as specified by the Compliance Officer. All days shall be trading period except those as specified hereunder under the head "Prohibited Period".
- (m) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- (n) "Trading Day" means a day on which the recognized stock exchanges are open for trading.
- (o) "Unpublished Price Sensitive Information" 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, delisting, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel; and
  - (vi) material events in accordance with the listing agreement.
- (p) "Working Day" means the working day when the regular trading is permitted on the concerned Stock Exchange where securities of the Company are listed.

## **RESPONSIBILITIES AND DUTIES OF THE COMPLIANCE OFFICER**

The Compliance Officer shall be responsible-

- i) for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, pre-clearance of trades requested by Designated Persons and their immediate relatives, monitoring of trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company;
- ii) to maintain records of the Designated Persons and any changes made in the list of designated persons;

- iii) to assist all the employees in addressing any clarifications regarding these Regulations and this Code;
- iv) to maintain records of all the declarations in the appropriate form given by the promoters, key managerial personnel, designated persons including trading by their immediate relatives or by any other person for whom such person takes decision for a minimum period of five years.
- v) to report to the Board of Directors 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 may be stipulated by the Board of Directors.

#### **PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- a) All the Insiders, Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall neither deal in the securities of the Company on the basis of Unpublished Price Sensitive Information nor pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
- b) Unpublished Price Sensitive Information is to be handled on a “need to know” basis. 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.
- c) It 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.
- d) There shall be limited access to confidential information and Unpublished Price Sensitive Information. Files containing the confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.
- e) Unpublished Price Sensitive Information directly received by any Director / Officer / Designated Employee should immediately be reported to the Compliance Officer.

#### **CHINESE WALLS**

In general, Chinese Walls separate areas that have access to Unpublished Price Sensitive Information (“Insider Areas”) from those who do not have such access (“Public Areas”). As such, Chinese Walls are designed to operate as barriers to

the passing of Unpublished Price Sensitive Information and Confidential Information. Chinese Walls are also designed as a means of managing Conflicts of Interest. Where Chinese Walls arrangements are in place, Designated Persons working within an Insider Area are prohibited from communicating any Confidential or Inside Information to those who operate in Public Areas.

Under this Code, Designated Persons within a Chinese Wall have a responsibility to ensure that 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.

In exceptional circumstances, Designated Persons from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, on executing non-disclosure agreement with the Company.

### PREVENTION OF MISUSE OF PRICE SENSITIVE INFORMATION

Designated Persons shall be subject to trading restrictions as stated below:

a) Trading Window

Designated Persons and/or their Immediate Relatives shall conduct all their dealings in the securities of the Company only when Trading Window is open or when not in possession of Unpublished Price Sensitive Information and shall not enter into Trading during the prohibited period (i.e. when the Trading Window is closed), as defined below or during any other period as may be specified by the Company from time to time.

“Prohibited Period” means:

- (i) a period of 7 days prior to the date of a Board / Committee / other meeting to consider any of the Unpublished Price Sensitive Information and 48 hours after the said information is made public.
- (ii) any other period when the Compliance Officer has reasons to believe that any Unpublished Price Sensitive Information is under active consideration of the Company. It shall be communicated by the Compliance Officer from time to time.

However, if the circumstances so warrant, the prohibited period may be increased or decreased with the approval of Compliance Officer or Executive Director.

- b) In case of Employee Stock Option granted to an employee under the Company’s Employee Stock Option Scheme, if applicable, exercise of option is allowed during the period when the trading window is closed. However, sale of ESOP shares by an employee falling within the definition

of Designated Person or Insider shall not be allowed when Trading Window is closed.

- c) The intimation about the period when the Trading Window is closed shall be given by the Compliance Officer, wherever required, through e-mail, circular etc.

### TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

No Insider shall trade in securities of the Company when in possession of Unpublished Price Sensitive Information unless such insider proves his innocence by demonstrating circumstances which may include:

- (i) the transaction is an off-market inter-se transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;
- (ii) 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;
- (iii) the trades were pursuant to a Trading Plan.

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.

### TRADING PLANS

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.

Such 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 the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (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.

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.

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. 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 and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes generally available information.

Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

#### PRE-CLEARANCE OF TRADES

Notwithstanding anything stated under the foregoing paras under the heading 'Trading Plans', when the Trading Window is open, all Designated Persons and their Immediate Relatives intending to deal in the securities of the Company up to the threshold limit fixed as aforesaid may do so without any clearance from the Compliance Officer. In other cases, they should pre-clear the transactions as per the pre-dealing procedure as stated hereunder. No Designated Person shall 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. The Compliance Officer shall confidentially maintain a list of such securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

### Procedure for Pre-clearance:

- a) Make an application in the prescribed form, as per Annexure – A , to the Compliance Officer indicating the estimated number of securities that he / she intends to deal in, the details as to the depository(ies) with which he / she maintains 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 and that the applicant for pre-clearance is not in possession of any Unpublished Price Sensitive Information. The application is to be filed along with statement of holding at the time of pre-clearance as per Annexure – B.
- b) He / She shall execute an undertaking in favour of the Company incorporating, therein, inter alia, the following clauses, as may be applicable:
  - i) that he / she does not have any access or has not received Unpublished Price Sensitive Information up to the time of signing the undertaking;
  - ii) that in case he / she has access to or receives Unpublished 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 / her position and that he / she would completely refrain from dealing in the securities of the Company till the time such information becomes public;
  - iii) that he / she has not contravened the Code as notified by the Company from time to time;
  - iv) that he / she has made a full and true disclosure in the matter.

The Designated Persons and their Immediate Relatives shall execute their transaction in respect of securities of the Company within seven trading days after the approval of pre-clearance is given failing which the transaction has to be pre-cleared again. They shall provide to the Compliance Officer confirmation of deal on a monthly basis as per Annexure – C. Further, those who buy or sell any number of securities of the company shall not enter into an opposite transaction i.e. sell or buy any number of securities during the next six months following the prior transaction. Should a 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act. In case of personal emergency, the above-mentioned period for contra trade may be shortened/ waived by the Compliance Officer after recording in writing the reasons in this regard provided such relaxation does not violate Regulations. The application for waiver of minimum holding period should be as per Annexure – D. They shall also not take positions in derivative transactions in the securities of the company at any time.



## DISCLOSURES

- (a) 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, to the company within seven days of such appointment or becoming a promoter as per Annexure – E. His/her disclosure should include the holding of such person's immediate relatives and of any other person for whom such person takes trading decisions.
- (b) Every promoter, employee 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 ten lakh rupees as per Annexure – F. His/her disclosure should include the acquisition or disposal of securities by such person's immediate relatives and by any other person for whom such person takes trading decisions.
- (c) The Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.
- (d) Every promoter, director and Key Managerial Personnel of the company shall file an Annual Statement in the prescribed format (Annexure-G) of all the holding of the company's securities along with the statement of Immediate Relatives as on as on 31st March every Year. The annual statement should be filed by 30<sup>th</sup> April every year.
- (e) The Company may at its discretion, if it deems necessary, ask any Designated Persons (other than specified in (a) and (b) above) to submit the disclosures of holding and/or trading in securities of the Company by them and by their Immediate Relatives in suggested form.

## PENALTY

- a) Any Designated Persons who trade in securities or communicates any information for trading in securities in contravention of this Code will be penalized and appropriate action will be taken against him / her by the Company after giving reasonable opportunity to explain his / her stand in the matter.

- b) In addition to the aforesaid penalties / punishments, the persons violating the Regulations will also be subject to any other action by SEBI as per SEBI Act. The Company shall inform SEBI in case of any violation.
- c) Under Regulation 11, SEBI can issue directions through guidance notes or Circulars Provided that where any direction is issued by the Board in a specific case relating to interpretation or application of any provision of these regulations, it shall be done only after affording a reasonable opportunity of being heard to the concerned persons and after recording reasons for the direction.

#### MISCELLANEOUS

- i) The disclosures under this Code where required to be made to Stock Exchanges, may also be made through electronic filing in accordance with the system devised by the stock exchange.
- ii) The Board of Directors of the Company shall have power to modify or replace this Code in part or full as may be thought fit from time to time in their absolute discretion in accordance with law for the time being in force.
- iii) This Code has been approved by the Board of Directors of the Company on 19<sup>TH</sup> December, 2017 and is effective from 19<sup>TH</sup> December, 2017.
- iv) The decision of the Board of Directors with regard to all matters relating to this Code of Conduct will be final and binding on all concerned.
- v) Words or phrases not defined here will have their respective meanings as per the SEBI Act and Regulations.

Application for pre-clearance & undertaking  
(to be submitted in duplicate)

Date .....

To,  
The Compliance Officer  
Mahua Bharatpur Expressways Limited

Dear Sir,

With reference to the Code for prohibition of Insider Trading of securities, I seek your approval to \*subscribe to / agree to subscribe to / purchase / sell / deal as an agent / principal ..... (nos.) equity shares/ ..... (In case of other securities, pls. mention) of the Company.

The statement of shareholding in Form “.....” as on ..... in the prescribed format is enclosed for your perusal in this connection.

As required by the ‘Code of Conduct for prevention of Insider Trading’ of the Company, I hereby undertake that:

- (a) I have no access or any information that could be construed as “Undisclosed Price Sensitive Information” as defined in the said Code up to the time of signing this undertaking;
- (b) In the event that I have access to or receive any information that could be construed as “Unpublished 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;
- (c) I have not contravened the provisions of the Code as notified by the Company from time to time;
- (d) I have made full and true disclosure in the matter.

Signature :  
Name :  
Designation :

Department :

PRE-CLEARANCE ORDER

Date.....

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

For Mahua Bharatpur Expressways Limited

Compliance Officer

\* Strikeout whatever is not applicable

Annexure – B

Statement of holding at the time of pre-clearance

Date .....

To,  
 The Compliance Officer  
 Mahua Bharatpur Expressways Limited

Dear Sir,

1. Detail of shareholding of \*Director / officer / designated person held in \*his / her own name:

No. of shares held	*DP ID & Client ID / Folio No.	Nature of transaction for which approval is sought	No. of Shares to be dealt

2. Details of shares held by immediate relatives:

Name of relative	Relationship	No. of shares held	*DP ID & Client ID / Folio No.	Nature of transaction for which approval is sought	No. of Shares to be dealt

I / we declare that I / we have complied with the requirement of the minimum holding period.

Signature :  
 Name :  
 Designation :  
 Department :

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\* Strikeout whatever is not applicable

Annexure – C

Monthly Confirmation of Deal

Date .....

To,  
The Compliance Officer  
Mahua Bharatpur Expressways Limited

Dear Sir,

I confirm that the dealing in securities of Mahua Bharatpur Expressways Limited for which the approval was granted, was completed as per the details given below:

Date of application for pre-clearance	Date of approval	Date of completion of transaction	No. of securities *purchased / sold	*DP ID & Client ID / Folio No.

Signature :  
Name :  
Designation :  
Department :

\* Strikeout whatever is not applicable

Application for relaxation of period in case of Contra Trade

Date .....

To,

The Compliance Officer  
Mahua Bharatpur Expressways Limited

Dear Sir,

I request you to allow me to enter into a contra trade before the expiry of six months for the following reasons:

.....  
.....  
.....

I had purchased/ sold the shares on\_\_\_\_\_.

Thanking you,

Yours faithfully,

Signature :

Name :

Designation :

Department :

Annexure – E

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (b) read with Regulation 6(2)]

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

Date .....

To,

The Compliance Officer

Mahua Bharatpur Expressways Limited

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointme nt of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointme nt of Director/KMP	
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	5	6	7	8	9

Signature:

Designation:

Date:

Place:

Annexure – F

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (2) read with Regulation 6(2)]

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Date .....

To,  
The Compliance  
Mahua Bharatpur Expressways Limited

Name, PAN No., CIN/DIN, & address of Promoter/ Employee/ Director with contact nos.	Category of Person (Promoters/ KMP/ Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Signature:  
Designation:  
Date:  
Place:



## Annexure- G

### Annual Disclosure of Shareholding

Date:  
The Compliance Officer  
Mahua Bharatpur Expressways Limited

Dear Sir,

I am providing Annual Statement of holdings of the Equity Shares of the Company, in the prescribed format, in terms of the provisions of Code of Conduct for Prevention of Insider Trading and SEBI (Prohibition of Insider Trading) Regulation 2015, as follows:

#### 1. Equity Shares held by me:

No. of shares held on 01.04.____	No. of shares bought during the year	No. of shares sold during the year	No. of Shares allotted by the Company	No. of shares held on 31.03._____	*DP ID & Client ID / Folio No.

#### 2. Equity Shares held by Immediate Relatives :

Name of relative	Relationship	No. of shares held on 01.04.____	No. of shares bought during the year	No. of shares sold during the year	No. of Shares allotted by the Company	No. of shares held on 31.03.____	*DP ID & Client ID / Folio No.

I declare that the above disclosure is true and correct and that I/ My immediate relative have not contravened the provisions of the Code as notified by the company.

Signature :  
Name :  
Designation :