

## BEML LIMITED

### BEML CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT

#### TRADING BY INSIDERS

*The Board of Directors of BEML Limited at their 339<sup>th</sup> meeting held on 11.08.2017 has adopted the following revised “BEML Code of Conduct to Regulate, Monitor and Report Trading by Insiders”, as required under Regulation 9 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.*

#### 1.0 **Title and Applicability:**

1.1 This Code shall be called “BEML Code of Conduct to Regulate, Monitor and Report Trading by Insiders”.

1.2 It shall come into effect from 11<sup>th</sup> August, 2017.

This Code shall apply to all Insiders as defined under this Code who shall deal in the securities of the Company.

#### 2.0 **Definitions:**

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

“**Company**” means BEML Limited.

“**Code**” means BEML Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

“**Competent Authority**” means the respective Authority as mentioned in clause 8.7 of the Code.

“**Compliance Officer**” means the Director (Finance)/Chief Financial Officer of the Company.

“**Connected Person**” means;

(i) any person who is or has during the six months prior to the concerned act been associated with a 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whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access and includes any a person having contractual or fiduciary relation with the Company such as Auditors, Accountancy Firms, Law firms, Analysts, Consultants etc., assisting or advising the Company.

(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 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 a Company or his immediate relative or banker of the Company, has more than ten per cent. of the holding or interest;

**“Designated Employee”** means-

- (i) All Executives from and above the level of General Manager, howsoever designated or employed, including the Directors and Key Managerial Personnel,
- (ii) All Staff officers and employees attached to the office of Chairman-cum-Managing Director, Functional Directors, Key Managerial Personnel, Executive Directors, Corporate Finance Department and Corporate Planning Department.
- (iii) Any other officers/employee or a category of them specified as such, from time to time, by the Compliance Officer.

**“Director”** means a member of Board of Directors of the Company including Additional/Alternate/Nominee Director.

**“Generally available Information”** means information that is accessible to the public on non-discriminatory basis available either through the website of the Company or a recognized stock exchange or press release or otherwise to the public at large.

**"Immediate Relative"** means a spouse of a connected 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;

**“Insider”** means;

- (i) a connected person; or
- (ii) a designated employee ; or
- (iii) a person in possession of or having access to unpublished price sensitive information

**“Key Managerial Personnel (KMP)”**, in relation to a Company, means—

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed;

**“Need to know”** shall mean the necessity to know an unpublished Price Sensitive Information by those within the Company who need such information to discharge their duty and whose possession of such information will not give rise to a conflict of interest.

**“Regulations”** means the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**“SEBI”** means the Securities and Exchange Board of India constituted under the SEBI Act, 1992.

**“Securities”** include shares, scrip, stocks, bonds, debentures, debenture stock or other marketable instruments of like nature as issued by the Company from time to time, any kind of derivatives relating to the securities of the Company listed and/or traded on a recognized stock exchange.

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

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

**“Trading Plan”** means a plan formulated and presented to the Compliance Officer by an Insider seeking approval for trading on the securities of the Company.

**“Trading Window”** means the trading days on a recognized stock exchange for trading in the securities of the Company excepting the period during which the window is closed by the Company.

**“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-merger, acquisition, delisting, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events such as strike, lockouts, natural calamity, new business initiatives and other events as specified in the SEBI Listing Regulations.

**“Voting Rights”** means the total number of votes that may be cast on a poll in regard to the matter in question relating to a specified class of securities.

Words and expressions and used and not defined herein but defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall have the meanings respectively assigned to them in that Regulation.

### **3.0 Prohibition on dealing, communication or counseling on matters relating to Insider Trading;**

No Insider shall-

- (a) communicate, provide or allow access to any unpublished price sensitive information relating to the Company to any person including other insiders except where such communication is on a need-to-know basis in furtherance of performance of duties or discharge of legal obligations, in the ordinary course of business or profession or employment or under any law;
- (b) procure from or cause the communication by any insider of unpublished price sensitive information relating to the Company except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, in the ordinary course of business or profession or employment or under any law; and
- (c) either on his own behalf or on behalf of any other person, deal in securities of the Company when in possession of any unpublished price sensitive information.

### **4.0 Preservation of “Price Sensitive Information”**

All information within the Company shall be handled strictly on need-to-know basis only. Every Insider shall maintain the confidentiality of all price sensitive information as defined under the Code/Regulations and shall not pass on any such information directly or indirectly that would result in purchase or sale of securities by any person/entity.

## 5.0 Chinese Wall

- 5.1 To prevent the misuse of confidential price sensitive information, the Company shall adopt a “Chinese Wall” policy separating those areas of the Company which routinely have access to such confidential information which shall be considered as “sensitive areas”, and other departments providing support services which shall be considered as “other areas”.
- 5.2 The employees engaged in the sensitive area shall not communicate any Price-Sensitive Information to anyone in the other area.
- 5.3 In exceptional circumstances employees from the other areas could be allowed to “cross the wall” and obtain confidential information only on “need- to-know” basis only.

## 6.0 TRADING WINDOW:

- 6.1 An Insider shall not trade in the securities of the Company during the period(s) when the Trading Window is closed by the Company under notice to the recognized Stock Exchanges and the details of such closure shall also be placed on the website of the Company from time to time;
- 6.2 Unless otherwise notified by the Compliance Officer, the Trading Window shall remain closed as under:

<i>Financial Period ending on</i>	<i>Trading Window Closure Period</i>	
	<i>Commencing on</i>	<i>Ending on</i>
Q-1	31 <sup>st</sup> July	Second trading day after the date on which unaudited / audited financial results for the corresponding financial period is submitted to BSE and NSE.
Q-2	31 <sup>st</sup> October	
Q-3	31 <sup>st</sup> January	
Q-4 / Annual	20 <sup>th</sup> May	

- 6.3 The Compliance Officer, in addition to paragraph 6.2, shall duly notify closure of the Trading Window for the following occasions for such duration as appears necessary in terms of the Regulations;
- (i) dividends including interim dividend
  - (ii) change in capital structure
  - (iii) merger, de-merger, acquisition, delisting, disposals and expansion of business and such other transactions,
  - (iv) material events in accordance with the SEBI Listing Regulations,
- 6.4 In case of ESOPs, exercise of option shall be permitted during the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs or otherwise shall not be allowed when the Trading Window is closed.
- 6.5 The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading

window shall also be applicable to any person having contractual or fiduciary relationship with the Company.

## **7.0 Trading Plan;**

- 7.1 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 in accordance with such plan.
- 7.2 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 maximum value of trades to be effected or the maximum 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.
- 7.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Code/Regulations and shall be entitled to seek such express undertaking/s as may be considered necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 7.4 The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled 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.
- 7.5 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

## **8.0 Pre-clearance of Trades;**

- 8.1 An Insider shall deal in securities of the Company only after securing pre-clearance in accordance with this Code and no Insider shall apply for pre-clearance of any proposed trade if such Insider is in possession of unpublished price sensitive information even if the trading window is not closed.
- 8.2 All applications for pre-clearance shall be made in the prescribed form as appended to the Code as Form 'PIT-1'.
- 8.3 Unless a Trading Plan is presented by the Insider and approved by the Competent Authority as per the Code, trading by the Insiders shall be subject to pre-clearance by the Competent Authority during the period when the Trading Window is open. The requirement of such pre-clearance is not applicable if the aggregate market value of all the transactions of the securities of the Company does not exceed Rs.10,00,000/- in any given English calendar month.
- 8.4 Prior to approving any trade, the Competent Authority shall be entitled to seek declaration/s to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. The Competent Authority shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 8.5 Trade for which pre-clearance has been accorded shall be executed by Insider within seven trading days, failing which fresh pre-clearance shall be obtained for executing such trade.
- 8.6 Any Insider who has been permitted to trade on the securities of the Company shall not execute a contra trade within a period of six months from the date of executing the original trade. However, the Compliance Officer may grant relaxation on a case to case to basis for reasons to be recorded in writing provided that such relaxation does not violate the Regulations. Should a contra trade is executed, inadvertently or otherwise in violation of the above restrictions, the profits, if any, from such trade shall be liable to be disgorged for remittance to the credit of the "Investor Protection and Education Fund".
- 8.7. The Competent Authority to accord pre-clearance shall be as follows;
- (a) Board of Directors shall be the approving Authority for the trading proposals of Chairman-cum-Managing Director.
  - (b) Chairman-cum-Managing Director shall be the approving Authority for the trading proposals of Directors and Compliance Officer.
  - (c) Compliance Officer shall be the Competent Authority for the trading proposals of other Insiders.
- 8.8 The Compliance Officer shall report to the Chairman-cum-Managing Director the details of pre-clearance(s), if any, accorded during a month within ten days of the commencement of the following month and shall submit a consolidated report, to Board of Directors annually. In case of no pre-clearance during a financial year the annual report there shall be a 'nil' report for that year.

8.9 Before according pre-clearance, the Competent Authority shall satisfy that the proposed transaction would not contravene any of the provisions under the Code.

### 9.0 Disclosure and Reporting:

9.1 All concerned shall be required to submit reports in the respective Forms appended to the Code and in the manner stated below with respect to themselves as well as the immediate relatives pertaining to the holding/ transactions of the securities of the Company:

<i>Event</i>	<i>Periodicity</i>	<i>Applicable Form</i>
Securities held by insiders including promoter	Within 30 days of the coming into force of this Code on or before 13.06.2015	Form 'PIT-2'
Upon becoming KMP or Director or otherwise an Insider	Within 7 days of such event	Form 'PIT-3'
Upon change in existing holding of securities of Insider	Within 2 trading days of such change	Form 'PIT-4'
Upon change in existing holding of securities of other connected persons		

9.2 Any employee who holds more than two (2) percent shares or voting rights in the Company as on the date of coming into effect of the Code and changes in such holdings, shall be disclosed to the Company in the respective Forms prescribed pertaining to relevant event/s.

9.3 The Compliance Officer shall place monthly report before the Chairman-cum-Managing Director on the details of all the disclosures reported in terms of Clause 8.1 and 8.2 above.

9.4 Any instance of non-compliance of the Code/Regulations, shall be reported with full details promptly by the Compliance Officer to the Chairman-cum-Managing Director,

9.5 In case where the Company/Compliance Officer observes that there has been a violation of the Regulations, the same shall be duly informed to SEBI immediately.

### 10.0 Preservation of Records;

Reports/Forms rendered in terms of the Code shall be preserved by the Company for at least five years.

### 11.0 Contravention of the Regulations or Code;

11.1 Without prejudice to any action or proceedings that may be instituted against any employee under the Regulations, any designated employee of the Company who deals in the Securities of the Company in contravention of the provisions of this



Code shall be deemed to be guilty of misconduct and shall accordingly be liable to be proceeded departmentally under the Certified Standing Orders or the BEML Employees Conduct, Disciplinary and Appeal Rules as maybe applicable.

- 11.2 The provisions contained in the Code shall be in addition to and not in derogation or substitution of any duty, obligation or requirement on the part of an employee or any Dependent Family Member of such employee under the Certified Standing Orders or the BEML Employees Conduct, Disciplinary and Appeal Rules as the case may be.

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**Form 'PIT-1'**  
**Application for Pre-clearance**

To,  
The Compliance Officer,  
BEML

Dear Sir,

I am desirous of trading in the below-mentioned securities of the Company in my own name or on behalf of my immediate relatives (write name of relative and relationship) and seek your approval as under:

Type of securities	No. of securities	Market Price	Mode of acquisition purchase/Sale-physical/Demat/other	Date by which trade is proposed to be executed	Folio No./DP ID No./Client ID No. alongwith the name of the depository	Present Holding (No. of shares)	
						Physical	Demat

In the relation to the above, I undertake that:

- a) I have no access to nor am I in possession of any unpublished price sensitive information at the time of signing this undertaking.
- b) In case, I get any access to or receive any "Price Sensitive Information" after signing this application but before the execution of the transaction, I shall inform you of the change in position and shall refrain from trading in shares till such information is made public.
- c) I have not contravened the Company's Code of Conduct for Regulating & Reporting Trading by Insider and for Fair Disclosure, 2015 as notified by the Company from time to time.
- d) In case the traded value exceeds ₹ 10 lakh or any such other value as may be specified, disclosure required under the Code of Conduct will be immediately furnished by me.
- e) I have made full and true disclosure in this application.

Signature:

Name and Employee No.:

Department:

Place:

Date:

Designation:

Division/Complex:

**FORM 'PIT-2'**

**Form to be filed by all the Insiders including the Promoters on or before 13.06.2015**

**BEML Limited**

ISIN: INE258A01016/ INE258A07013/ INE258A07021/ INE258A07039 (delete whichever is not applicable)

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		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

Signature:

Name and Employee No.:

Department:

Place:

Date:

Designation:

Division/Complex:

**FORM 'PIT-3'**

Form to be filed upon becoming KMP or Director or otherwise an Insider

**BEML Limited**ISIN: INE258A01016/ INE258A07013/ INE258A07021/ INE258A07039 (*delete whichever is not applicable*)

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/mediate relatives/other 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/appointment of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointment 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

Signature:

Name and Employee No.:

Department:

Place:

Date:

Designation:

Division/Complex:

**FORM 'PIT-4'**

**Form to be filed upon change in existing holding of securities of Insider or other connected persons**

**BEML Limited**

ISIN: INE258A01016/ INE258A07013/ INE258A07021/ INE258A07039 (*delete whichever is not applicable*)

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 Intima- tion 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 Debenture s etc.)	No.	Type of security (For eg. – Shares, Warrants, Conver- tible Debenture s etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	

Signature:

Name and Employee No.:

Department:

Place:

Date:

Designation:

Division/Complex: