

Code of Conduct for Prevention of Insider Trading 2019
(Amendment 1- January 2020)

Preamble

This Amendment 1 to the Company's Code of Conduct for Prohibition of Insider Trading, 2019 ("2019 Code") seeks to amend/alter/add/substitute certain clauses of the 2019 Code to give effect to the amendments made by Securities and Exchange Board of India (SEBI) in the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") by SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2019 dated 25th July 2019 and SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated 17th September 2019.

1. For the existing sub-clause 1.18 in the Definition Section, the following be substituted:

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

2. After sub-clause 1.20 in the Definition Section, the following sub-clauses be inserted:

"Informant" is an individual(s) who voluntarily submits to SEBI, the Original Information in a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under the Regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.

"Original Information" means any relevant information submitted in accordance with the Regulations pertaining to violation of insider trading laws that is:

- (a) derived from the independent knowledge and analysis of the Informant;
- (b) not known to SEBI from any other source, except where the Informant is the original source of the information;
- (c) is sufficiently specific, credible and timely to – (i) commence an examination or inquiry or audit, (ii) assist in an on-going

examination or investigation or inquiry or audit, (iii) open or re-open an investigation or inquiry, or (iv) inquire into a different conduct as part of an on-going examination or investigation or inquiry or audit directed by SEBI;

(d) not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information;

(e) not irrelevant or frivolous or vexatious;

Explanation -information which does not in the opinion of SEBI add to the information already possessed by the SEBI is not Original Information.

3. After sub-clause 2.9, the following sub-clause be inserted:

2.10. The Compliance Officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors, but not less than once in a year.

4. For the existing sub-clause 7.3, the following be substituted:

(i) The Compliance Officer shall close the trading window from the end of every quarter till forty-eight (48) hours after the declaration of financial results;

(ii) The trading window restrictions as mentioned in sub-clause (i) shall not apply in respect of --

(a) the transaction is an off-market *inter-se* transfer between designated persons who were in possession of the same unpublished price sensitive information without in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of the regulations;

Provided further that such off market trades shall be reported by the designated persons to the Company within 2 (two) working days.

- (b) the transaction was carried through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of the regulations;

- (c) the transaction was carried out pursuant to a statutory or regulatory obligation to carry out a *bona fide* transaction;
- (d) the transaction was undertaken pursuant to the exercise of stock options in respect of which the exercise-price was pre-determined in compliance with applicable regulations;
- (e) the trades were pursuant to the trading plan set up in accordance with this Code;
- (f) pledge of shares for a *bona fide* purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the respective SEBI regulations;
- (g) transactions which are undertaken in accordance with respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer.

5. For the existing Explanation to sub-clause 9.2, the following be substituted:

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 the designated person during the immediately preceding twelve (12) months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which payment is based on arm’s length transactions.

6. For the existing sub-clause 9.5, the following be substituted:

Every promoter, member of the promoter group, key managerial personnel and director of the Company shall disclose to the Company his holdings of securities of the Company within thirty (30) days of these regulations taking effect. (**Annexure 6**).

7. For the existing sub-clause 9.6, the following be substituted:

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter or member of the promoter group, to the Company within seven (7) days of such appointment or becoming a promoter or member of the promoter group.

8. For the existing sub-clause 9.7, the following be substituted:

Every promoter and member of the promoter group, key managerial personnel, designated person and director of the Company shall disclose to the Company the number of securities acquired or disposed of within two (2) 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 Rupees Ten lacs (Rs. 10,00,000) (**Annexure 7**).

9. For the existing sub-clause 9.9, the following be substituted:

9.9. In addition to the continual disclosure in Annexure 7, every promoter or member of the promoter group, key managerial personnel, designated person and director shall disclose to the Company any change in shareholding of the Company, if the value of the traded securities in a transaction or series of transactions in aggregate over any calendar quarter exceeds Rupees Ten lacs (Rs. 10,00,000) or such other value as may be specified by the Compliance Officer in consultation with the Board. (**Annexure 8**).

10. For the existing Clause 12, the following be substituted:

Intimation to SEBI in case of violation of Code of Conduct and Regulations

Any violation of the Code of Conduct and the Regulations shall be immediately intimated to the Compliance Officer or the Board of Directors of the Company. In case it is observed by the Board that there has been a violation of the Code and/or regulations in relation to the securities of the Company, the same shall be immediately reported to SEBI in the format **(Annexure 10)**.

An informant under the code may voluntarily submit to SEBI the original information in a Voluntary Information Disclosure Form relating to an alleged violation of the insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur. Such disclosure shall be in the form prescribed in Schedule D to the regulations.

11. After clause 12, the following clause 13 be inserted:

Protection against retaliation and victimization

An employee who files a Voluntary Information Disclosure Form with SEBI under this code and regulations, he/she will not be at risk of suffering any form of reprisal or retaliation which includes discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against the employee irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a reward under the regulations, by reason of-

- (i) filing a Voluntary Information Disclosure Form under the regulations;
- (ii) testifying in, participating in, or otherwise assisting and aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

Explanation- For the purpose of this clause, “employee” means any individual who during employment may become privy to information

relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the regulations and is a director, regular or contractual employee;

13.2 The Company may be liable for penalty, debarment, suspension, and/or criminal prosecution by SEBI, as the case may be, on violation of sub-clause 13.1;

Provided that nothing in the regulations will require SEBI to direct reinstatement or compensation by an employer.

Any term in the agreement (oral or written) or code of conduct is void in so far as it purports to preclude any person from submitting to SEBI information relating to violation of the securities laws that has occurred, is occurring or has a reasonable belief that it would occur.

No person shall by way of any threat or act impede an individual from communicating with SEBI, including enforcing or threatening to enforce, a confidentiality agreement (other than agreements related to legal representations of a client and communications thereunder) with respect to such communications.

Explanation- No employer shall require an employee to notify him or any Voluntary Information Disclosure Form filed with SEBI or to seek prior permission or consent or guidance of any person engaged by the employer before or after such filing.

Code of Conduct for Prevention of Insider Trading 2019
(Amendment 1- January 2020)

Annexure 10

Report by the Company for violations related to the Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015

[For listed company: Schedule B read with Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Sr. No.	Particulars	Details
1	Name of the listed company/intermediary/fiduciary	
2	Please tick the appropriate check-box Reporting in capacity of: <ul style="list-style-type: none"> <input type="checkbox"/> Listed company <input type="checkbox"/> Intermediary <input type="checkbox"/> Fiduciary 	
3	Name of the Designated Person (DP) Name of the immediate relative of DP if reporting is for immediate relative	
4	PAN of the DP PAN of the immediate relative of the DP if reporting is for immediate relative	
5	Designation of DP	
6	Functional role of DP	
7	Whether DP is Promoter/ Promoter Group/holding CXO level position (e.g. CEO, CFO, CTO etc.)	
8	Transaction details	
	a) Name of the scrip	
	b) No. of shares traded (which includes pledge) and value (Rs) (Date-wise)	
9	In case value of trade(s) is more than Rs 10 lacs in a calendar quarter	
	a) Date of intimation of trade(s) by concerned DP/ director /promoter /promoter group to Company under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015	
	b) Date of intimation of trade(s) by Company to Stock Exchanges under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015	
10	Details of violations observed under SEBI (Prohibition of Insider Trading) Regulations, 2015	
11	Action taken by Listed Company / Intermediary/ Fiduciary	
12	Reasons recorded in writing for taking action stated above	
13	Details of the previous instances of violations, if any, since last financial year	
14	Any other relevant information	

Yours faithfully,

Name and signature pf Compliance Officer

PAN

Email id

Mobile Number

Date and Place:

BHARTIA SONS LIMITED

CIN : L15205WB1944PLC011711

Phone : 22481143 / 6007
Fax : (033) 2243 5068
E-mail : bhartiasons@gmail.com
Website : www.bhartiasons.com

Registered Office :
12, Government Place East
Kolkata - 700 069
W.B., India

TO WHOM SO EVER IT MAY CONCERN

This is to certify that the **Regulation 7(2) - SEBI (Prohibition of Insider Trading) Regulations, 2015** is not applicable to our Company during **FY 2019-20**.

Describing about "Continual Disclosures: (a). Every promoter, employee and director of every 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 or such other value as may be specified;

(b). Every 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"

For Bhartia Sons Limited



(Mohit Srivastava)
Company Secretary



Date: 31/03/2020
Place: Kolkata