



**BHEL**  
**CODE OF CONDUCT**  
**FOR**  
**REGULATING & REPORTING**  
**TRADING**  
**BY DESIGNATED PERSONS**  
**& THEIR IMMEDIATE**  
**RELATIVES**  
**AND**  
**FOR FAIR DISCLOSURE**

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**BHARAT HEAVY ELECTRICALS LIMITED**  
**CODE OF CONDUCT FOR REGULATING & REPORTING TRADING BY**  
**DESIGNATED PERSONS & THEIR IMMEDIATE RELATIVES AND**  
**FOR FAIR DISCLOSURE**

**CHAPTER I**

**1. Introduction**

Pursuant to SEBI (Insider Trading) (Amendment) Regulations, 2002, the Board of Directors of the Company in its 342<sup>nd</sup> Meeting held on 26<sup>th</sup> August, 2002 approved the “Code of Conduct for Prevention of Insider Trading” which came into force with immediate effect. The Code was subsequently revised by the Board of Directors in its 409<sup>th</sup> Meeting held on 29<sup>th</sup> January, 2009 in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008, 469<sup>th</sup> Meeting held on 6<sup>th</sup> April, 2015 pursuant to commencement of Companies Act, 2013 & SEBI (Prohibition of Insider Trading) Regulations, 2015 (wherein it was renamed as the Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015), through circulation pursuant to the Companies (Amendment) Act, 2017 & SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (wherein it was renamed as the “BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure” to come into force w.e.f. 1<sup>st</sup> April, 2019) and lastly, in its 566<sup>th</sup> Meeting held on 28<sup>th</sup> January, 2025 in compliance with the various amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Now, *inter-alia*, in compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2025, the Board of Directors hereby adopts the revised “BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure” of BHARAT HEAVY ELECTRICALS LIMITED, which shall come into force with effect from 29<sup>th</sup> October, 2025.

**2. The Policy and Obligations**

The Company endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director and other Designated Person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Director and other Designated Person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

### 3. Objective of the Code

The objective of the Code is to regulate, monitor and report trading by Designated Persons and immediate relatives of Designated Persons towards achieving compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Code shall also provide for practices and procedures for fair disclosure of unpublished price sensitive information.

### 4. Applicability

This Code shall apply to all Designated Persons and immediate relatives of Designated Persons as mentioned in this Code.

### 5. Definitions

In this Code, unless the context otherwise requires:

- (i) **"SEBI Act" or "Act"** means the Securities and Exchange Board of India Act, 1992;
- (ii) **"Regulations"** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (iii) **"The Company"** means Bharat Heavy Electricals Limited (BHEL);
- (iv) **"Code"** means "BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure", as modified from time to time;
- (v) **"Connected Person"** means a person defined as such by the Regulations;
- (vi) **"Designated Employee"** means a person occupying any of the following position in the Company:
  - (a) All Directors, Key Managerial Personnel and Chief Vigilance Officer
  - (b) Senior Management as defined in BHEL under the BHEL Code of Business Conduct & Ethics for Board Members & Senior Management Personnel
  - (c) General Managers in the Marketing groups of Business Sectors, Corporate Operations Management and Corporate Technology Management Groups
  - (d) All employees working in the following functions/ departments of the Company:
    - Secretariat of Chairman & Managing Director & Functional Directors
    - Corporate Law/ Company Secretariat/ Corporate Strategic Management/ Corporate Communication/ Corporate Finance (Business Sector Finance, Financial Performance Management & Reporting, Cash & Financial Services Department, Receivables, Taxation & System)
    - Corporate Digital Transformation (including IT support staff who have access to UPSI)
  - (e) Any other department / official as may be proposed by designated employees at (a) to (d) above, and approved by the Compliance Officer";

(vii) **“Designated Person”** with regard to the Company means any of the following persons:

- (a) A Designated Employee of the Company
- (b) Employees of the Company’s Material Subsidiary, if any, so designated on the basis of their functional role/access to UPSI by their board of directors, but shall specifically include:
  - the Chief Executive Officer
  - Employees upto two levels below Chief Executive Officer irrespective of their functional role or ability to have access to UPSI
- (c) Promoters of the Company
- (d) Any other key person, who in the opinion of Compliance Officer be covered in the “Designated Person”;

(viii) **“Director”** means a member of the Board of Directors of the Company;

(ix) **“Fiduciary”** with regard to the Company refers to the professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company;

(x) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;  
(Information published on the website of a stock exchange, would ordinarily be considered generally available.)

(xi) **“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;

(xii) **“Insider”** means any person who is:

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

(xiii) **“Key Managerial Personnel” or “KMP”**, in relation to a company means:-

- (a) the Chairman & Managing Director
- (b) all Whole-time Functional Directors
- (c) Company Secretary and
- (d) such other officer as may be prescribed under the Companies Act, 2013;

(xiv) **“Relative”** shall mean the following:

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

- (xv) **“Securities”** includes:
- (a) shares, bonds, debentures or other marketable securities of a like nature;
  - (b) any kind of derivatives in the Securities of the Company; and
  - (c) such other instruments recognized as securities under the Securities Contracts (Regulation) Act, 1956 and issued by the Company from time-to-time;
- (xvi) **“Stock Exchange”** means:
- (a) BSE Limited; and
  - (b) National Stock Exchange of India Limited;
- (xvii) **“Trading”** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (xviii) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading where securities of the Company are listed;
- (xix) **“Trading Window”** means trading period for trading in the Company’s Securities. All days shall be the trading periods except when trading window is closed;
- (xx) **“Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, award or termination of order/ contracts not in the normal course of business and such other transactions;
  - (v) changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
  - (vi) change in rating(s), other than ESG rating(s);
  - (vii) fund raising proposed to be undertaken;
  - (viii) agreements, by whatever name called, which may impact the management or control of the Company;
  - (ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the Company, whether occurred within India or abroad;
  - (x) resolution plan/ restructuring or one-time settlement in relation to loans/ borrowings from banks/ financial institutions;
  - (xi) admission of winding-up petition filed by any party/ creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the Company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;

- (xii) initiation of forensic audit, by whatever name called, by the Company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
  - (xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, promoter or subsidiary, in relation to the Company;
  - (xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the Company;
  - (xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the Company not in the normal course of business;
  - (xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- Compliance Officer may decide any other matter also as Price Sensitive Information;

Explanation 1- For the purpose of sub-clause (ix):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as UPSI, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as may be specified by SEBI from time to time and materiality as referred at paragraph B of Part A of Schedule III of the SEBI Listing Regulations shall be applicable.

All other words and phrases will have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Words and expressions used and not defined in these Regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013, as amended and Rules & Regulations made thereunder shall have the meanings respectively assigned to them in that legislation.

## **CHAPTER II**

### **CONFIDENTIALITY & COMMUNICATION OF UPSI**

#### **6. Compliance Officer**

- 6.1 Director (Finance) shall be the Compliance Officer for the purpose of the Code.
- 6.2 The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors.
- 6.3 The Compliance Officer shall ensure adequate and effective system of internal controls to ensure compliance with the requirements given in the regulations to prevent insider trading.
- 6.4 A Record of Designated Employees shall be maintained by Corporate-HR under the overall supervision and control of the Compliance Officer and changes taking place in the list from time to time shall be incorporated therein.
- 6.5 The Compliance Officer shall provide any clarifications with regard to the implementation of this Code. The Company Secretary shall assist the Compliance Officer in discharging this function.
- 6.6 The Compliance Officer shall designate a Senior Official or the Company Secretary of the Company to act as Compliance Officer in his absence.

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

- 7.1 All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained.
- 7.2 All Designated Persons shall maintain the confidentiality of price sensitive information. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 7.3 Lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons.
- 7.4 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in



furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

- 7.5 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 7.6 Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information.
- 7.7 Notwithstanding anything contained in the Code, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would: –
- (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company;
  - (ii) 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 atleast 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.
- 7.8 For the purpose of the above clause, the parties shall be required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause 7.7 and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
- 7.9 For the purpose of prompt public disclosure of UPSI, the Company also adopts the Code regarding practice & procedure for Fair Disclosure set out at Annexure-I. The Policy for determination of “legitimate purposes” has been incorporated as a part of the Code of Fair Disclosure.
- 7.10 A structured digital database shall be maintained by Corporate HR containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under the Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-

tampering of the database. Inputs in this regard shall be ensured by the concerned Heads of Departments on the same day of sharing the said UPSI.

Necessary support for maintenance of structured digital database (including any updation, amendment etc.) shall be provide by the Company's IT (Corporate Digital Transformation) department.

- 7.11 The structured digital database shall be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.
- 7.12 The Company has issued a Standard Operating Procedure (SOP) for UPSI Creation in Structured Digital Database & Closure of Trading Window under the Regulations. Head of Units/ Regions/ Corp. Functions/Business Sectors shall ensure compliance with this SOP prior to disclosures made to the Stock Exchanges as per Internal Operating Guidelines to BHEL's Policy for Determination of Materiality of Events & Information & their Disclosure.

## CHAPTER III TRADING RESTRICTIONS

### 8. Trading when in possession of UPSI

No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information. When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

### 9. Trading Window

- 9.1 Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer 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. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- 9.2 Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- 9.3 The trading window restrictions mentioned in clause 9.1 shall not apply in respect of –
- (a) transactions specified in proviso to Regulation 4(1) (i) to (iv) and (vi) of the Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by SEBI;
  - (b) 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 or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.
- 9.4 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 window is closed.
- 9.5 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.

- 9.6 For unpublished price sensitive information not emanating from within the Company, trading window may not be closed. Head of Units/ Regions/ Corp. Functions/ Business Sectors shall ensure compliance with the requirements in this regard as per the SOP mentioned at clause 7.12 of the Code.

## **10. Pre-clearance of Trades**

- 10.1 All Designated Persons and their immediate relatives who intend to trade in the securities of the company above a minimum of 2500 shares of the Company per transaction should pre-clear the transactions as per the pre-trading procedure as described hereunder.
- 10.2 An application shall be made in Form PIT-1 to the Compliance Officer indicating the estimated number of securities that the Designated Persons or their immediate relatives intends to trade 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.
- 10.3 All Designated Persons and their immediate relatives shall execute their order in respect of securities of the Company within seven trading days after the approval of pre-clearance is given. If the order is not executed within the aforementioned specified period, the Designated Person must pre-clear the transaction again.
- 10.4 In case the Designated Person or his/ her immediate relative decides not to execute the trade after securing pre-clearance, he/ she shall inform the Compliance Officer of such decision immediately.
- 10.5 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 10.6 It shall be the responsibility of Designated Persons to ensure compliance of clauses 10.1 to 10.4 above in case of their immediate relatives also.
- 10.7 All Designated Persons who buy or sell any number of shares of the company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction. Provided that this shall not be applicable for trades pursuant to exercise of stock options.
- 10.8 The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the regulations.

10.9 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

## 11. Trading Plans

11.1 An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

11.2 Such trading plan shall: –

- (i) not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;
- (ii) not entail overlap of any period for which another trading plan is already in existence;
- (iii) set out following parameters for each trade to be executed:
  - (a) either the value of trade to be effected or the number of securities to be traded;
  - (b) nature of the trade;
  - (c) either specific date or time period not exceeding five consecutive trading days;
  - (d) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
    - for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
    - for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

Explanation:

- (a) While the parameters in sub-clauses (a), (b) and (c) shall be mandatorily mentioned for each trade, the parameter in sub-clause (d) shall be optional.
- (b) The price limit in sub-clause (d) shall be rounded off to the nearest numeral.
- (c) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.
- (iv) not entail trading in securities for market abuse.

11.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the 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.

11.4 Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Further, trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

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

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

Provided further that if the insider has set a price limit for a trade under clause 11.2 (iii) (d), the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

Explanation: In case of non-implementation (full/ partial) of trading plan due to either reasons enumerated in clause 11.5 or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

- (i) The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
- (ii) Upon receipt of information from the insider, the compliance officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/ partial) was bona fide or not.
- (iii) The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.
- (iv) In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per the Code of Conduct.

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

## CHAPTER IV REPORTING AND DISCLOSURE REQUIREMENTS

### 12.1 Disclosure Requirements

#### Initial Disclosures

By Whom	What to be disclosed	When to be disclosed	Form
Promoter/ member of the promoter group/ Director/ KMP to the Compliance Officer	Holding of securities of the Company as on date of appointment or becoming Promoter	Within seven days of such appointment or of becoming Promoter	In Form Prescribed by SEBI
Designated Persons to the Company	<p>1. Name &amp; PAN (or any other identifier authorized by law) of the following persons:  a) Immediate Relatives  b) Persons with whom the designated person shares a material financial relationship  c) Phone, mobile &amp; cell numbers which are used by the above persons</p> <p>2. Names of educational institutions from which the designated person has graduated</p> <p>3. Names of past employers</p>	Within 30 days of becoming a Designated Person	Form PIT-2

#### Continual Disclosures

By Whom	What to be disclosed	When to be disclosed	Form
Promoter/ member of the promoter group/ Director/ Designated Person to the Compliance Officer	Number of such securities acquired or disposed	<p>Within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakh or such other value as may be specified.</p> <p><i>*disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.</i></p>	In Form Prescribed by SEBI

Company to the Stock exchange where securities are listed	Details of disclosure by Promoter/ Director/ Designated Person	Within two trading days of receipt of disclosure or becoming aware of such disclosure	In Form Prescribed by SEBI
Designated Persons to the Company	Name & PAN (or any other identifier authorized by law) of the following persons: a) Immediate Relatives b) Persons with whom the designated person shares a material financial relationship c) Phone, mobile & cell numbers which are used by the above persons.	1. Within 30 days of the end of the financial year. 2. Whenever the information changes vis-à-vis their last disclosure, within 30 days from the change.	Form PIT-2

12.2 For the purposes of Clause 12.1, 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 12 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.

12.3 Updated Forms with regard to the Code shall be available on BHEL intranet.

12.4 The disclosures to be made by any person under Clause 12.1 shall include those relating to trading by such person’s immediate relatives, and by any other person for whom such person takes trading decisions.

12.5 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purpose of Clause 12.1.

12.6 The Compliance Officer shall maintain records of all the disclosures/ declarations/ undertakings/ forms as mentioned in this Code, as received from time to time, for a period of five years.

12.7 The Compliance Officer shall report to the Board of Directors for the purpose of the Code and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board annually.

12.8 The Audit Committee shall review compliance with the provisions of insider trading regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.



## **CHAPTER IV MISCELLANEOUS**

### **13. Penalty for Contravention of the Code**

- 13.1 All Designated Persons who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.
- 13.2 All Designated Persons who violate this Code of Conduct including leak of UPSI or suspected leak of UPSI shall also be subject to sanctions and disciplinary action by the Company, which may include wage freeze, suspension, recovery, etc. Any amount collected under this clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- 13.3 Employees shall report instances of leak of UPSI and the same may be done through the Whistleblower Policy of BHEL.
- 13.4 On becoming aware of leak of UPSI or suspected leak of UPSI, the Company and/ or Compliance Officer shall initiate appropriate inquiries and the relevant Intermediaries and Fiduciaries shall co-operate with the Company in connection with such inquiry. Further, the Company shall also inform SEBI promptly of such leaks, inquiries and results of such inquiries.
- 13.5 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.
- 13.6 In case it is observed by the Company that there has been a violation of the Regulations it shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by SEBI from time to time.

### **14. Uploading of Code on BHEL Website**

This Code and any amendments thereto shall be available on the website of the Company.

### **15. Dissemination of the Code**

The Company shall implement processes for how and when people are brought 'inside' on sensitive transactions. The Heads of the concerned Units/ Regions/ Corp. Functions/ Business Sectors shall ensure that individuals are made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

## ANNEXURE-I

### **CODE OF PRACTICE & PROCEDURE FOR FAIR DISCLOSURE**

The Code aims at prompt public disclosure of UPSI that would impact price discovery so as to make such information generally available. The disclosure shall be done no sooner than credible and concrete information comes into being. The Code also covers the practices and procedures for fair disclosure of UPSI as well as enumerates what constitutes legitimate purposes for disclosure of UPSI.

1. Uniform and universal dissemination of UPSI shall be ensured to avoid selective disclosure. In case of selective dissemination of UPSI inadvertently or otherwise, it shall be ensured promptly to make such information generally available.
2. Head-CSM, being the Investor Relation Officer of the Company will be the Chief Investor Relations Officer (CIRO) of the Company under this Code to deal with dissemination of information and disclosure of UPSI.
  - 2.1 CIRO/any other authorized person shall ensure that the information shared with analysts and research personnel is not UPSI and that the principles such as, equality of access to information etc. are being followed.
  - 2.2 CIRO shall ensure development of best practices to make transcripts or records of proceedings of meetings with analysts/other investor relations conferences available on the official website to ensure official confirmation and documentation of disclosures made.
  - 2.3 The CIRO or any officer authorized by Compliance Officer/CMD shall be invited to meetings/ conferences organized by the Company with the analysts/ institutional investors. Apart from CIRO, no person, except those authorized by the Compliance Officer/ CMD shall disclose any information relating to the Company's Securities to analysts and institutional investors.
3. In line with the Company practice, Head-Corporate Communication shall ensure release of all official Press Releases simultaneously to Stock Exchanges and Media with a copy to CIRO and Company Secretary. These press releases shall also be posted on the website of the Company.
  - 3.1 Head- Corporate Communication shall ensure appropriate and fair response to queries and requests for verification of information/ reports/ market rumours by/from regulatory authorities/ stock exchanges in consultation with Head of the concerned Unit/ Region/ Corp. Function/ Business Sector to which the information/ report/ market rumour pertains and the CIRO.
4. Company Secretary shall ensure that periodic disclosures regarding shareholding pattern, corporate governance, certificate pertaining to depositories, reconciliation of

share capital audit reports as required under SEBI Regulations are made in a timely and adequate manner. All requests for verification of information/ disclosures pertaining to such periodic disclosures shall also be ensured in a timely manner by Company Secretary.

5. The Company has in place the “Policy for Determination of Materiality of Events & Information and their Disclosure” for making the necessary disclosures to the Stock Exchanges inline with Regulation 30 and Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
6. Further, the Company has formulated the Internal Operating Guidelines to the Policy for Determination of Materiality of Events & Information and their Disclosure which provides (i) the responsibility matrix with regard to dissemination of events and/ or information by concerned Head of Units/ Regions/ Corp. Functions/ Business Sectors and (ii) detailed procedure for disclosure of such events and/ or information.

The Head of the concerned Units/ Regions/ Corp. Functions/ Business Sectors shall ensure compliance with points 5 & 6 above.

7. It shall be ensured that all UPSI shall be handled within the Company on a need-to-know basis and shall not be communicated, provided or allowed access to, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
8. For the purpose of the BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure, the term “legitimate purpose” shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
9. Head of Units/ Regions/ Corp. Functions/ Business Sectors shall ensure compliance with the Standard Operating Procedure for UPSI Creation in Structured Digital Database & Closure of Trading Window mentioned at Clause 7.12 of the Code prior to disclosures made to the Stock Exchanges as per Internal Operating Guidelines to BHEL’s Policy for Determination of Materiality of Events & Information & their Disclosure.
10. In case of investigations by regulatory authorities/ stock exchanges under the Regulations pursuant to disclosures made under the Policy for Determination of Materiality of Events & Information and their Disclosure, the Head of the concerned Unit/ Region/ Corp. Function/ Business Sector shall promptly provide all necessary information and assistance till the closure of the concerned investigation including certified copy of the information furnished in the format of regulatory authorities/ stock exchanges.

**Form PIT-1 (Refer Clause 10.2 of the Code)  
Format for Application for Pre-clearance**

(For use by Designated Persons and their immediate relatives in case of trading in the securities of Company above minimum of 2500 shares of the Company)

To,  
The Compliance Officer,  
BHEL

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 Security	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 depository	Present Holding (No. of Shares)	
						Physical	Demat

In relation to the above, I undertake that:

- I have not contravened the Company's "BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure" as notified by the Company from time to time.
- In case the traded value exceeds Rs. 10 lakh or any such other value as may be specified, disclosures required under the Code of Conduct will be immediately furnished by me.
- I have made full and true disclosure in this application.

Signature:

Name:

Designation:

Department:

Company:

Place:

**Form PIT-2 (Refer Clause 12.1 of the Code)  
Format for Disclosure by Designated Person**

To,  
The Compliance Officer,  
BHEL

Dear Sir,

Pursuant to Clause 12.1. (Initial Disclosure/ Continual Disclosure-~~strikethrough which is not applicable~~), please find the requisite information for your record:

<b>1. Name &amp; PAN or any other identifier authorized by law of the following persons:</b>			
S. No.	Name of the Immediate Relatives * OR Persons with whom the designated person shares a material financial relationship*	PAN	Phone, mobile & cell numbers which are used by the person

<b>2. Names of educational institutions from which the designated person has graduated#</b>	
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<b>3) Names of past employers#</b>	
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*\*For definition of "immediate relative" & "material financial relationship" please refer to relevant Clauses of the Code.*

*# Information for Points 2 & 3 have to be provided only at the time of Initial Disclosure*

I hereby declare that the particulars given above are true and in case of any change the same shall be disclosed to the Company as required.

Signature:

Name:

PAN:

Designation:

Department:

Company:

Place: