



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)



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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015]

1. This Code shall come into force from 01st April, 2019.

2. Definitions:

For the purpose of this code the following terms shall have the meanings assigned to them hereunder:

- i. "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- ii. "Code" or "this Code" shall mean this Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information;
- iii. "Company" or "the Company" means **BEMCO HYDRAULICS LIMITED**;
- iv. "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis, such as information published on the website of the stock exchanges. "Generally Available" with respect to information shall be construed accordingly;
- v. "Insider Trading Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- vi. "Unpublished Price Sensitive Information" or "UPSI" means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company and shall, ordinarily include but not restricted to, information relating to the following:
 - a) financial results;
 - b) dividends;
 - c) change in capital structure;
 - d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - e) Changes in key managerial personnel.
- vii. Other terms not specifically defined here shall have the same meaning as assigned under the „Code of Conduct for Prevention of Insider Trading in Securities of Bemco Hydraulics Limited“ and „the Insider Trading Regulations“.

The provisions of this Code have to be read along with the Insider Trading Regulations and if there is any inconsistency / contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

3. Purpose of the Code

This Code has been formulated to ensure prompt, timely and adequate disclosure of UPSI.

4. Principles of Fair Disclosure

The Company shall ensure:

- a) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- c) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- d) Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- e) Information shared with analysts and research personnel is not UPSI.
- f) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- g) Handling of all UPSI on a need-to-know basis.

5. Overseeing and co-ordinating disclosure.

- a) The Company shall designate a senior officer as a Chief Investor Relations Officer ("CIRO") to deal with dissemination and disclosure of UPSI.
- b) The CIRO would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to this Code as required under the Insider Trading Regulations so as to avoid selective disclosure.
- c) The CIRO shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of UPSI to Stock Exchange(s) where **BEMCO HYDRAULICS LIMITED** are listed, analysts, shareholders and media, and educating employees on disclosure policies and procedure.
- d) Disclosure/dissemination of UPSI may normally be approved in advance by CIRO. In case of doubt, the CIRO shall consult and seek approval of the Managing Director / Executive Director(s) / the Chief Financial Officer of the Company pursuant to the Listing Agreement / Regulations, before dissemination of such information.
- e) If UPSI is accidentally disclosed without prior approval of CIRO, the person responsible shall inform the CIRO immediately. The CIRO will then promptly disseminate the information so as to make such information generally available.

6. Responding to market rumors

The CIRO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the disclosure, if required. He may consult the Managing Director or Executive Director(s) or the Chief Financial Officer of the Company pursuant to the Listing Agreement / Regulations in this regard and thereafter make appropriate disclosures.

7. Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Research Personnel, Institutional Investors.

No person, except those authorized by the Chief Investor Relations Officer, shall disclose any information relating to the Company's Securities to analysts, research personnel and institutional investors.

All Directors and Employees of the Company should follow the guidelines given hereunder while dealing with analysts, research personnel and institutional investors:

- a) Only Public information to be provided The Company shall provide only public information to the analyst/research personnel/large investors like institutions. The CIRO shall ensure that information shared with them is not UPSI. The information given to the analyst should be made public at the earliest.
- b) Recording of discussion and Simultaneous release of Information In order to avoid misquoting or misrepresentation, it is desirable that at least two Company representatives be present at meetings with analysts, brokers or institutional investors and discussions should preferably be recorded. When a Company organizes meetings with analysts and other investor relations conferences, the CIRO will ensure that the transcripts or records of proceedings of meetings with analysts and other investor relations conferences are posted on the official website of the Company, to ensure official confirmation and documentation of disclosures made. The Company may also consider live web casting of analyst meets.
- c) Handling of unanticipated questions, The Company should be careful when dealing with Analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be noted and a considered response given later. If the answer includes price sensitive information, then it should be made generally available before responding.

8. Medium of disclosure/dissemination.

- a) The Company shall ensure that disclosure to Stock Exchange(s) where **BEMCO HYDRAULICS LIMITED** are listed is made promptly.
- b) Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- c) The Company may also facilitate disclosure through the use of its official website.
- d) The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the Company website www.bemcohydraulics.net. The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges(s) where **BEMCO HYDRAULICS LIMITED** are listed, as required under the Insider Trading Regulations.

Policy for Determination of Legitimate Purpose

Legal Framework

SEBI with an intention to protect the investors enacted SEBI (Prohibition of Insider Trading) Regulation, 2015 w.e.f. 15 May 2015.

Further, SEBI vide notification dated 31 December 2018 brought various amendments to the existing insider regulations to be effective from 1 April 2019. One of the amendments in Regulation 3 (2A) mandates the company to frame a policy for determining of legitimate purposes as a part of Codes of Fair Disclosure and Conduct.

Accordingly, a policy is framed as under:

1. Unpublished Price Sensitive Information (UPSI):

Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following:

- 1) financial results;
- 2) dividends;
- 3) change in capital structure;
- 4) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- 5) changes in key managerial personnel;
- 6) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

2. Sharing of unpublished price sensitive information 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.

3. Issue of Notice to the recipient of unpublished price sensitive information

Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an insider for purposes of this Code and due notice shall be given or confidentiality/ non-disclosure agreement will be signed with such persons:

- To make aware such person that the information shared is or would be UPSI.
- To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

4. Digital Database of recipient of unpublished price sensitive information

An structured digital database will be maintained containing the following details of such persons or entities as the case may be with whom unpublished price sensitive information is shared for legitimate purpose:

- Name of such recipient of UPSI;
- Name of the Organization or entity to whom the recipient represent
- Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

Adequate and effective system of internal controls will also be laid out to secure the database. Documents containing the UPSI information shall be kept secured.

This Policy is subject to review from time to time.