

## **BRIGHT BROTHERS LIMITED**

### **INSIDER TRADING CODE**

#### **1. Introduction :**

The objective of the Code is to prevent dealing in securities of the Company by an Insider either on his own behalf or on behalf of any other person, on the basis of unpublished price sensitive information.

All companies must have their internal code “which should not dilute the minimum standards set for the Regulation, Monitoring and Reporting of Trading by Insiders, as provided in Schedule B of the Insider Trading Regulations in any manner (Regulation 9(1)and 9(2) of the Insider Trading Regulations).

In substitution of the code and in order to find tune it in line with the amendments as prescribed by SEBI in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015, the Code of Conduct is reviewed from time to time.

#### **2. The policy and obligation :**

The Company endeavours to preserve the confidentiality of un-published 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 Promoter and Person who is part of Promoter Group, Director and Designated Employees 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 Promoter and Person who is part of Promoter Group, Director/Chief Executive Officer/Chief Financial Officer/Senior Management Personnel and other designated employees shall use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, this code of conduct is to be followed by all Promoter and Persons who are part of Promoter Group, Directors/ Chief Executive Officer/Chief Financial Officer / Senior Management Personnel and other connected persons.

#### **3. Applicability:**

This Code of Conduct shall be applicable to Promoters/Directors/ designated employees / other connected persons of the Company as defined herein from time to time.

#### **4. Definitions:**

In this Code unless the context otherwise requires:

- (a) **'Act'** means the Securities and Exchange Board of India Act, 1992 (15of1992).

- (b) **"Board"** means the Board of Directors of Bright Brothers Limited.
- (c) **"Companies Act"** means the Companies Act, 1956(1 of 1956) and the Companies Act, 2013.
- (d) **"Compliance Officer"** means the officer appointed by the Board for the purpose of compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for preservation of unpublished price sensitive information, monitoring of trades and the implementation of this Code of Conduct as well as the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time, under the overall supervision of the Board.
- (e) **"connected person"** means 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.
- (f) **"Deemed to be connected persons"** shall mean the persons falling within the following categories unless the contrary is established, -
- (i). an immediate relative of connected persons specified in clause (i); or
  - (ii). a holding Company or associate Company or subsidiary Company; or
  - (iii). an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - (iv). an investment Company, trustee Company, asset management Company or an employee or director thereof; or
  - (v). an official of a stock exchange or of clearing house or corporation; or
  - (vi). 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
  - (vii). 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
  - (viii). an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - (ix). a banker of the Company; or
  - (x). 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
- (g) **"Designated persons"** means and includes
- i) Key Managerial Persons as defined under the Companies Acts;
  - ii) General Manager at Plants and Head Office/s;
  - iii) Deputy General Manager at Plants and Head Office/s;
  - iv) Senior Manager at Plants and Head Office/s;
  - v) Vice President at Plants and Head Office/s.
- (h) **"generally available information"** means information that is accessible to the public on a non-discriminatory basis;

- (i) **“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;
- (j) **“Insider”** means any person who is
  - i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- (j) **“promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
- (k) **“securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- (l) **“trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (m) **“trading day”** means a day on which the recognized stock exchanges are open for trading;
- (n) **“unpublished price sensitive information”** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
  - (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel; and
  - (vi) material events in accordance with the listing agreement.

**The words and/or phrases which are not defined in this code but are defined under the SEBI Act, 1992 or SEBI (Prohibition of Insider Trading) Regulations, 2015 or Companies Act, 1956, or Companies Act, 2013 as amended from time to time, shall have the same meaning as defined under the said Act and/or Regulations.**

## CHAPTER II

### PRESERVATION OF CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

#### 5. Compliance officer:

The Company Secretary of the Company shall be the Compliance Officer for setting forth the policies and procedures and to implement and monitor adherence to this 'Code of Conduct' and applicable laws and regulations and policies and procedures. The Compliance Officer shall report to the Board.

The Compliance Officer under this Code shall be responsible for:

- (i) compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for preservation of unpublished price sensitive information;
- (ii) pre-clearing of Designated Employees' trades in BBL;
- (iii) monitoring of trades in BBL and the implementation of this Code of Conduct as well as the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, under the overall supervision of the Board.
- (iv) The Compliance Officer shall place before the Chairman of the Audit Committee on a quarterly basis, all the details of dealing in securities by the Directors / Designated Employees and the accompanying documents that such persons had executed under the pre-dealing procedure envisaged in this code of conduct.
- (v) The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

#### 6. Need to know:

Unpublished price sensitive information is to be handled on a "need to know" basis, Unpublished price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not rise to a conflict of interest or appearance of misuse of the information. He, being in the inside area, shall not communicate any price sensitive information to anyone in public area. All non-public information directly received by him should immediately be reported to the head of the department and the compliance officer.

If, in the performance of duties, it becomes necessary for the Employee to disclose any price sensitive information to any person outside the Company, e.g., Advisors, Auditors, Consultants, Merchant Bankers, Share Transfer agent etc., the Employee shall inform the Compliance Officer of the Price Sensitive Information proposed to be disclosed and shall ensure that the concerned Advisor, Auditor, Consultant, Merchant Banker, Share transfer agent, etc., executes an Agreement with the Company in such format as may be prescribed by the Company.

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

**7. Preservation of price sensitive information:**

No person shall either on his own behalf or on behalf of any other person, deal in the securities of BBL when in possession of any unpublished price sensitive information.

No person shall communicate, counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in the securities of BBL.

Designated Employees shall maintain the confidentiality of all Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of the securities of BBL.

### **CHAPTER III**

#### **TRADING RESTRICTIONS**

**8. Prevention of misuse of "Price Sensitive Information**

All directors/designated employees of BBL shall be subject to trading restrictions as enumerated below:

- i.** All directors / Designated Employee shall trade in the securities of BBL only during a specific trading period called "Trading Window" to be specified by the Company. All directors / designated employees of BBL shall be prohibited to trade in the securities of BBL during the time the information referred to in sub-clause (iii) below is unpublished and during the period the trading window is closed.
- ii.** The trading window shall be, *inter alia*, closed at the time of:—

  - (a) Declaration of financial results (quarterly, half-yearly and annually).
  - (b) Declaration of dividends (interim and final).
  - (c) Issue of securities by way of public/rights/bonus etc.
  - (d) Any major expansion plans or execution of new projects.
  - (e) Amalgamation, mergers, takeovers and buy-back.
  - (f) Disposal of whole or substantially whole of the undertaking.
  - (g) Any changes in policies, plans or operations of the Company.
  - (h) Such other information as specified by various law, rules and regulations and ascertained by the Compliance Officer for this purpose.
- iii.** The Trading Window shall remain closed 7 days prior to the date of the Board Meeting to be convened for transacting the matters listed in (a) to (h) above and shall be opened 48 hours after the information referred to in sub-clause (iii) above is made public.

**9. Pre-clearance of trades**

All Directors / Designated Employees/ who intend to deal in the securities of BBL should pre-clear the transactions, by making an application in the prescribed form and containing the prescribed undertaking to the Compliance Officer. (Form I)

While seeking Pre clearance all Directors / Designated Employees shall submit a declaration in Form I to the Compliance Officer confirming that he does not stand in possession of any UPSI. In case the Director or the designated employee has access to or receives “Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance Officer of the change in his position and that he or she would completely refrain from dealing in the securities of the Company till the time such information becomes generally available. He or She shall further undertake that he or she has not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time and that he or she has made a full and true disclosure in the matter.

In case the Compliance Officer wishes to deal in the securities of BBL, he/she would have to make the application in the prescribed (Form I) to the Managing Director of the Company. The remaining provisions of this section, as applicable to Designated Employees, would also apply to the Compliance Officer.

## **10. Other Restrictions**

- i. All directors/designated employees 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 seven trading days after the approval is given, the employee/director must pre-clear the transaction again.
- ii. All Directors / designated employees who buys or sells any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.
- iii. He shall also not take positions in derivative transactions in the shares of the Company at any time.
- iv. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing the reasons in this regard. (Application for Waiver is at Form II.)

## **CHAPTER IV**

### **REPORTING AND DISCLOSURE REQUIREMENTS**

#### **11. Reporting Requirements For Transactions In Securities**

All designated employees / persons connected with the Company will have to forward details of their securities transactions including the statement of their dependent family members to the Compliance Officer in the following manner:-

- (i) Every promoter, key managerial personnel and director of the Company shall disclose his holding of securities of the Company and that of his immediate relatives as on the date of the Insider Trading regulations taking effect i.e. 15.05.2015, to the Company within thirty days of these regulations taking effect i.e. by June 15, 2015 in a prescribed form;
- (ii) Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company and that of his immediate relatives as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter in a prescribed form.
- (iii) Every promoter, designated employee and director of every Company shall disclose to the Compliance officer in a prescribed form the details of securities of BBL acquired or disposed of within two trading days of such transaction either by himself or by his immediate relatives 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.
- (iv) The compliance Officer shall maintain records of all declarations in the form given by the Directors / Officers / Designated Employees for a minimum period of five years.

#### **12. Disclosure of information by company**

The Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure under Clause 11(iii) above or from the date of becoming aware of such information.

The Disclosure of the incremental transactions after any disclosure under this Clause shall be made when the transactions effected after the prior disclosure cross the threshold specified in Clause 11(iii) above.

**CHAPTER V**  
**TRADING PLAN**

**13. Trading plan**

- (i) An insider may 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.
- (ii) Such Trading Plan shall
  - (a) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - (b) 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;
  - (c) trading for a period of less than 12 months;
  - (d) not entail overlap for any period for which another trading plan is already in existence submitted;
  - (e) not entail trading for market abuse.
- (iii) Such Trading Plan shall set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected;
- (iv) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- (v) The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.
- (vi) Upon approval, the Compliance Officer shall notify the Trading Plan to the stock exchanges on which the securities of the Company are listed.



## CHAPTER VI

### MISCELLANEOUS

#### **14. Penalty for contravention:**

- (i) Persons connected with BBL who trade in securities or communicate any information for trading in securities in contravention of this Code of Conduct will be penalized and appropriate action will be taken by the Board or any other Authority appointed by the Board after giving reasonable opportunity to show-cause and adherence to the principles of natural justice. The penalty may include wage freeze, suspension, etc.
- (ii) In addition to the action which may be taken by BBL, the persons violating or contravening this Code of Conduct shall also be subject to action by SEBI as per SEBI Act. In case of any violation, the Company shall inform SEBI accordingly.

#### **15. Amendment to Code of Conduct**

The Board of Directors of BBL reserves the right to add, amend, modify this Code of Conduct as and when it deems appropriate.

#### **16. Savings clause**

If any rules under the code are in conflict with or inconsistent with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, then the SEBI (Prohibition of Insider Trading) Regulations, 2015 as modified/ amended from time to time, shall prevail and shall deemed to have been included in this code.

**Form I**  
**Application for Pre-clearance**

(For use by Directors/Officers/ Key Managerial Personnel in case deal in the securities of Company)

To,  
The Compliance Officer  
Bright Brothers Limited

Dear Sir,

I / my immediate relative am/is desirous of dealing in the below-mentioned securities of the Company in my own name or on behalf of my immediate relative  
.....(write name of family member and relationship) and seek your approval to acquire/  
purchase/ sell the securities

Type of Security	No. of Shares	Market Price on date of Application ( To give last trading day's closing price)	Nature of Trade Buy / Sell	Date by which trade is proposed to be executed	Folio No./ DP ID No./Client ID No. Along with the name of depository	Present Holding (No. of Shares	
						Physical	Demat
Equity shares							

My undertaking for the purpose of pre-clearance is attached herewith. I/ my immediate relative is aware that if the order is not executed within seven trading days after the approval is given, I would have to pre-clear the transaction again.

I have made full and true disclosure in this application.

Signature:

Name:

Designation:

Department:

Location:

**Format of Undertaking to be accompanied with the application for pre-dealing undertaking**

**Undertaking**

In compliance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Insider Trading Code, I, \_\_\_\_\_ (Name of the Designated Person) hereby undertake/declare that:

1. I do not have any access to or have not received any “Price Sensitive Information” upto the time of signing this undertaking.
2. In case I have access to or receive any “Price Sensitive Information” after the signing of this undertaking but before the execution of the deal, I shall inform the Compliance Office of the change in the position and that I would completely refrain from dealing in Securities till the time such information is made available to public by Company.
3. I have not contravened the Code as notified by the company from time to time.
4. I have made full and true disclosure in the matter.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Signature:

Name:

Designation:

Department:

Location:

## Form II

(Declaration by Designated Person(s) and dependent family members under Code for Prevention of Insider Trading for permission to sell within 6 months days of purchase / sale )

From;

Shri/Smt: \_\_\_\_\_

Designation \_\_\_\_\_

To,  
The Compliance Officer  
Bright Brothers Ltd

Dear Sir,

**Sub: PERMISSION TO EXECUTE A CONTRA TRADE WITHIN 6 MONTHS OF PURCHASE**

In terms of the captioned subject the details of my/immediate relative member(s) Shri/Smt. \_\_\_\_\_, purchased shares of the company as specified below:

Date of Purchase	Number of Shares	Pre-Clearance No and Date	DP ID/ Client ID

Whereas in terms of the requirement of Insider Trading Code for prevention of Insider Trading, shares are required to be held for a period of at least 6 months from the day of purchase. However, on account of the exigent circumstances mentioned hereunder, I desire to dispose the shares forthwith:

In view of the aforesaid I earnestly request that the Company accords its approval to my request for sale.

**Thanking you,**

\_\_\_\_\_  
(SIGNATURE)