

## **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS**

(Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)

*(Approved by the Board of Directors on 19<sup>th</sup> May, 2015)*

Securities and Exchange Board of India (SEBI) has notified on January 15, 2015, the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“2015 Regulations”) to be effective from May 15, 2015, i.e. 120<sup>th</sup> day from the notification of the Regulations, replacing the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Regulation 9(1) of the aforesaid Regulations casts a duty upon the Board of Directors of every listed company to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in the Schedule B to the Regulations.

Accordingly the Company Policy on Prohibition of Insider Trading framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992 stands replaced with this Code of Conduct to Regulate, Monitor and Report Trading by Insiders, with effect from 19<sup>th</sup> May, 2015.

### **Compliance Officer**

The Company Secretary of the Company shall act as the Compliance Officer of the Company for the purposes of these Regulations and is responsible to comply with the provisions as contained herein. The Compliance officer under the overall supervision of the Board of Directors shall report to Shri Suresh Kumar Bangur, Executive Director / CEO of the Company.

Further, the Compliance officer shall also provide Reports to the Chairman of the Audit Committee of the Board of Directors, on an annual basis.

### **Who is an Insider?**

Under the 2015 Regulations, an Insider means

- A Connected Person
- Any Person who is in possession of or is having access to Unpublished Price Sensitive Information

The definition of Connected Person is given under Regulation 2(d) of the 2015 Regulations pursuant to which a person is a connected person, if he has a connection with the Company that is expected to put him in possession of Unpublished Price Sensitive Information.

### **Applicability**

The Code applies to the following categories of persons including their ‘immediate relatives’

- Promoters
- Directors
- KMPs (Key Managerial Persons as defined under the Companies Act, 2013)
- Designated Persons/ Employees

### **Designated Persons/ Employees**

- All employees in the cadre of General Manager and above
- All the Accounts and Finance Personnel of the Company at Head Office as well as the Finance/Commercial Heads of all the Units/Branches
- Any other person as may be determined by the Compliance officer, based on their functional role in the organization, for the purpose of monitoring adherence to the Code for preservation of Unpublished Price Sensitive Information

**Immediate Relative**

Immediate relative *means* spouse of a person and *includes* parent, sibling and child of such person/ or the spouse, if any of them is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.

*In addition to the above stated categories, all the connected persons in possession of or having access to Unpublished Price Sensitive Information shall also be covered under the Code and accordingly the Company may ask such persons or class of connected persons to make disclosures of their holdings and trading in securities of the Company.*

**Unpublished Price Sensitive Information**

Any information, relating to the Company or its securities, that is not generally available would be *Unpublished Price Sensitive Information* if it is likely to materially affect the price of the securities upon coming into public domain.

Ordinarily, the types of matters that would give rise to Unpublished Price Sensitive Information are:

- Financial Results
- Dividends
- Change in Capital Structure
- Mergers, De-mergers, acquisitions, delisting, disposals and material expansion of business and such other transactions.
- Changes in Key Managerial Personnel.
- Material Events in accordance with the listing agreement.

The above is only an illustrative list and there might be other instances in which certain unpublished information might materially affect the price of securities of the Company.

**Preservation of Unpublished Price Sensitive Information**

- All information shall be handled within the organization on a need-to-know basis.
- No Connected person or anyone who is in possession of or has access to unpublished price sensitive information relating to the Company shall communicate it to any other person except in furtherance of legitimate purposes, performance of his duties or discharge of his legal obligations.
- The Designated Employees and Connected persons shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not disclose or communicate or counsel or procure directly or indirectly the Unpublished Price Sensitive Information to any person (except in furtherance of legitimate purposes, performance of his duties or discharge of his legal obligations) until the same is made available to the general public.

**Restriction on Trading while in Possession of UNPUBLISHED PRICE SENSITIVE INFORMATION**

The Promoters, Directors, KMPs, Designated Employees and Connected persons, when in possession of UNPUBLISHED PRICE SENSITIVE INFORMATION shall not trade in securities of the Company either on their own behalf or on behalf of any other person.

However, trades pursuant to a “Trading Plan” set up in accordance with Regulation 5 of the 2015 Regulations may be permitted subject to the approval of Trading Plan by the Compliance Officer and public disclosure of it on the Stock Exchanges.

**Notional Trading Window - Trading Period and Trading Limit**

The Promoters, Directors, KMPs, Designated Persons and their immediate relatives shall not trade in securities when the (notional) trading window is closed. The trading window shall be closed when the Compliance Officer determines that these persons can reasonably be expected to have possession of unpublished price sensitive information. The Trading Window shall be closed 7 days before the date of Board Meeting related with any item that may give rise to unpublished price sensitive information.

Trading window shall open 48 hours after the unpublished price sensitive information is made generally available. No person shall be entitled to apply for pre-clearance of any proposed trade if such person is in possession of unpublished price sensitive information even if trading window is open.

#### **Procedure for pre-clearance**

1. An Application may be made to the Compliance Officer or in case the applicant is Compliance Officer himself, to the Board.
2. **An Undertaking** shall be executed by these Person(s) stating that:
  - he/ she does not have access to or received unpublished price sensitive information upto the time of signing the undertaking
  - that in case he/ she has access to or receives unpublished price sensitive information after signing the undertaking but before execution of transaction, he/ she shall inform the Compliance Officer forthwith and refrain from trading in securities till the PSI becomes generally available
  - he/ she has not contravened the provisions of the Code on PIT.
  - he/ she has made full disclosure in the matter
3. The applicant may execute the order within one week i.e. 7 days of the permission, else fresh clearance will be required.

#### **Restriction on Contra-Trade for 6 months**

In all cases, these Persons who are permitted to trade in securities of the Company shall not execute a contra-trade i.e. he/ she shall not enter into an opposite transaction within 6 months following a prior transaction.

Should a contra-trade be executed inadvertently or otherwise, in violation of the aforesaid restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the IEPF administered by it.

In case of ESPS, allotment of shares by the Company, to the Eligible Employee upon Exercise of Shares granted, may be allowed during the period when the Trading Window is closed. Sale of shares allotted on exercise of Shares granted under ESPS shall not however be allowed when the Trading Window is closed.

The Compliance Officer of the Company shall disclose the information regarding the closure and open of Trading Window to the concerns from time to time.

### **DISCLOSURES**

#### **INITIAL DISCLOSURES OF SHAREHOLDING TO THE COMPANY**

- (1) Every Promoter, KMP and Director of the Company, shall, disclose his/ her holding of securities of the Company within 30 days of these regulations taking effect.
- (2) Every person on appointment as key managerial personnel, director or upon becoming a promoter shall disclose his holding of securities of the company within seven days of the date of appointment or becoming a promoter.

#### **CONTINUAL DISCLOSURES OF TRADING IN SHARES TO THE COMPANY**

- (1) Every Promoter, Employee and Director of the Company, shall, disclose within 2 trading days the no. of securities acquired or disposed, if the value of securities traded, whether in 1 transaction or a series of transactions, over any calendar quarter, aggregates to a traded value exceeding Rs. 10 lakhs.

## **NOTIFICATION OF CONTINUAL DISCLOSURES BY THE COMPANY TO STOCK EXCHANGES**

The Company shall notify the Stock Exchanges on receipt of continual disclosure (as above) or becoming aware of such information within 2 working days of such information.

## **ANNUAL DISCLOSURE OF SHAREHOLDING**

Every Promoter, Director, KMP and Designated Employee of the Company, shall, disclose his/ her holding of securities of the Company as on date of every financial year ending 31<sup>st</sup> March, to the Company. 30 days

## **PENALTY FOR CONTRAVENTION**

Every person, to whom the Code is applicable, shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/ her immediate relatives).

Any person who violates the Code, shall, in addition to any other penal action that may be taken against him under any law, also be subject to disciplinary action, including wage freeze, suspension etc.