

**CODE OF CONDUCT**  
**TO**  
**REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS**  
(Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)

On January 15, 2015, the Securities and Exchange Board of India (SEBI) has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("2015 Regulations") to be effective from May 15, 2015, i.e. 120th 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 was replaced with a Code of Conduct to Regulate, Monitor and Report Trading by Insiders, with effect from 15th May, 2015.

Subsequently, vide Notification dated 31st December, 2018, the 2015 Regulations were further amended by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as the "2018 Regulations" and collectively with the 2015 regulations, are referred to as the "SEBI PIT Regulations") with its amendments to take effect from 1 April, 2019. The Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders stands amended in alignment with the 2018 Regulations and will henceforth be called Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ("the Code").

**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 Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO 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- Any Person who is in possession of or is having access to Unpublished Price Sensitive Information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**

In terms of Regulation 9(4) of the SEBI PIT Regulations, the Board of Directors in consultation with the compliance officer hereinbelow specifies the following as “**Designated Persons**” to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

The Code applies to the following categories of persons including their ‘immediate relatives’ and persons with whom such designated person(s) share a material financial relationship:-

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

### **Designated Employees**

- All employees in the cadre of General Manager and above
- All the Accounts, Finance, Secretarial Personnel of the Company at Head Office as well as all the Unit/ Branch Heads and Finance/ Commercial Heads of the Units/ Branches. It also includes IT personnel of the Company who have access to unpublished price sensitive information
- 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 UPSI

### **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.

### **Material Financial Relationship**

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

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 (UPSI)**

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, delistings, disposals and material expansion of business and such other transactions
- Changes in Key Managerial Personnel

The above is only an illustrative list and there might be other instances in relation to which certain unpublished information, upon becoming public, 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. Sharing of information with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants, shall be considered as “legitimate purposes” for the purpose of sharing unpublished price sensitive information in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT regulations.
- The Designated Employees/ Persons 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 UPSI**

The Promoters, Directors, KMPs, Designated Employees/ Persons and Connected persons, when in possession of UPSI 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.

### **Institutional Mechanism for Prevention of Insider Trading**

The Chief Executive Officer shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in SEBI PIT Regulations to prevent insider trading

#### **The internal controls include the following:-**

1. All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of SEBI PIT Regulations
2. Adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations
3. All employees and other persons with whom unpublished price sensitive information is shared with, shall be required to ensure the compliance of SEBI

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

### **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 UPSI.

The 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.

In other cases, Trading Window will be closed 7 days before the date of Board Meeting related with any item that may give rise to UPSI.

Trading window shall open 48 hours after the UPSI is made generally available.

When the Trading Window is open, there is no restriction for trading of securities if the value of securities traded, whether in 1 transaction or a series of transactions,

in a financial year, aggregates to a traded value upto Rs. 8,00,000/- in value or 1,000 in no. of shares, whichever is lower. \*

Beyond these stipulated thresholds, trading by these persons shall be subject to preclearance by Compliance Officer, if the value of proposed trades is above the aforesaid thresholds.

However, no person shall be entitled to apply for pre-clearance of any proposed trade if such person is in possession of UPSI even if trading window is open.

**\* As approved in the Board Meeting of 22 January, 2019, the thresholds take effect from 1 April, 2019. Upto 31 March, 2019, the thresholds prevail at Rs. 5,00,000/- in value or 2,500 in no. of shares, whichever is lower.**

#### **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 Chairman
2. An Undertaking shall be executed by these Person(s) stating that:
  - he/ she does not have access to or received UPSI upto the time of signing the undertaking
  - that in case he/ she has access to or receives UPSI 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
  - 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 as on the date of these Regulations take effect i.e. as on 15th May, 2015, to the Company. **Timeline for disclosure – 30 days**

2. Upon becoming a Promoter or appointment as a KMP or Director of the Company, such person, shall, disclose his/ her holding of securities of the Company as on the date of becoming a promoter or appointment as a KMP or Director, to the Company. **Timeline for disclosure – 7 days**

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

1. Every Promoter, Designated Person and Director of the Company, shall, disclose 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. **Timeline for disclosure – 2 trading days**
2. Disclosure of incremental transactions further to the above, shall be made as and when the transaction is affected. **Timeline for disclosure – 2 trading days**

#### **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. **Timeline for disclosure – 2 trading days**

#### **ANNUAL DISCLOSURE OF SHAREHOLDING**

Every Promoter, Director, KMP and Designated Person of the Company, shall, disclose his/ her holding of securities of the Company as on date of every financial year ending 31st March, to the Company. **Timeline for disclosure – 30 days**

For the purpose of all the above prescribed disclosures, whether initial, continual or annual, 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 accordingly.

Designated Persons shall also be required to disclose Names and PAN (Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a) immediate relatives;
- b) persons with whom such designated person(s) shares a material financial relationship;
- c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one time basis.

## **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, recovery, clawback etc.

In case it is observed by the Company, that there has been a violation of SEBI PIT Regulations, the Company shall inform SEBI promptly.

## **POLICIES AND PROCEDURES FOR INQUIRY IN CASE OF LEAK OF UPSI**

In case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, on becoming aware, the same shall be immediately reported to the Wholetime Director (Finance) and the Chairman and Managing Director and appropriate inquiries shall be initiated forthwith as may be directed by the WTD/ MD. They may delegate the case to an “investigator” for investigation of the instance and ascertaining authenticity of the subject reported.

The Board of Directors shall also be promptly informed of such leaks, inquiries and results of such inquiries.

Further, if an inquiry has been initiated by the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries (RTA etc.) and fiduciaries (Auditors, Bankers etc.) shall co-operate with the Company in connection with such inquiry conducted by the Company.

## **WHISTLE BLOWER MECHANISM TO REPORT ANY LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

In case any employee suspects any leak of unpublished price sensitive information, he may immediately blow the whistle and report the instance directly to the Wholetime Director (Finance) and the Chairman and Managing Director, by an email or a letter.

This mechanism shall be in addition to the “**Satark**” (whistle blowing mechanism available to the employees of the Company to report any fraud or wrongdoing or any grievance or complaint.

The Company encourages employees to report any suspected leak of unpublished price sensitive information forthwith to the WTD (Finance)/ MD.

Anonymous grievances will not be entertained unless the allegations are supported by documented and verifiable facts.

Management undertakes to maintain confidentiality of the person who has reported the instance, subject to the rights of the person against whom the instance is reported to cross-examine such leak of unpublished price sensitive information.

#### **PROTECTION OF EMPLOYEES AGAINST RETALIATION AND VICTIMIZATION**

Any Employee who reports any alleged violation of insider trading laws in accordance with the Informant Mechanism introduced vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated September 17, 2019, will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.

---