

## **POLICY AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Board Directors will appoint the Company Secretary as the Compliance Officer to ensure compliance and for effective implementation of the Regulation and also the Code/Policy across the Company.

The Compliance Officer will report to the Board of Directors of the Company.

The Company Secretary shall hold the position of Compliance Officer so long as he/she remain as Company Secretary. In the event of the Office of Company Secretary falling vacant the Managing Director shall act as Compliance Officer till the successor is appointed. In the performance of his duties as Compliance Officer he shall have access to all information and documents relating to the Securities of the Company. The Compliance Officer is responsible for dealings with SEBI in connection with all matters relating to the compliance and effective implantation of the Regulation and the Code.

### **DUTIES OF THE COMPLIANCE OFFICER**

- Setting forth the policies in relation to the implementation of the Code and Regulations in consultation with the Board/Audit Committee
- Prescribing procedures for various activities referred to in the Code.
- Compliance with the policies and procedures referred hereinabove.
- Monitoring adherence to the rule for the preservation of Unpublished Price Sensitive Information (UPSI).
- Granting of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them/their Immediate Relatives and monitoring of such trading.
- Implementation of this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.

The Compliance officer shall maintain a record of designated persons such as Directors, such employees and connected persons including representatives of the auditors, accountancy firms, law firms, analysts, consultants, etc., as identified by the Board and their immediate relatives and changes thereto from time to time. He will also assist the designated persons in addressing any clarifications regarding the Regulations and this policy/code.

For the proper understanding the designated persons are defined as : Designated person means Director and such Employees and connected persons ( including representatives of the auditors, accountancy firms, analysts, consultants etc.) as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code>

Connected persons shall have the meaning give to it under Regulation 2(d) of the Regulations and shall also include the promoters and other directors and key managerial personnel.

Every quarter the Compliance Officer will present to the Audit Committee Chairman the material facts relating to the trading of securities by the designated persons along with the documents that such person has executed in accordance with the pre-trading procedure prescribed under this policy.

## **PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

Specified persons shall maintain the confidentiality of all UPSI coming into their possession or control. To comply this the specified persons shall not :

- (i) Communicate, provide or allow access of UPSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company unless such communication is in the furtherance of the legitimate purpose, performance of duties or discharge of legal obligations; or
- (ii) Discuss UPSI in public places, or
- (iii) Disclosed UPSI to any Employee who does not need to know the information for discharging his or her duties, or
- (iv) Recommend to anyone that they may undertake Trading in Securities of the Company while being in possession, control or knowledge of UPSI, or
- (v) Be seen or perceived to be Trading in Securities of the Company while in possession of UPSI.

The Specified persons who are privy to UPSI, shall handle the same strictly on a “need to know” basis. This means the UPSI shall be disclosed only to those persons who need to know the same in furtherance of a legitimate purpose, the course of performance of discharge of their duty and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

## **LIMITED ACCESS TO CONFIDENTIAL INFORMATION**

Specified Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards.

- File containing confidential information shall be kept secure
- Computer files must have adequate security of long through a password
- Follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance officer from time to time in consultation with the person in charge of information technology function.

To prevent the misuse of UPSI, the Company has will have the policy which separates those departments which routinely have access to UPSI, considered “inside areas” from those departments which deal with sale/marketing or other departments providing support services, considered “public areas”.

As per this policy, the employees in the inside areas are not allowed to communicate any UPSI or anyone in the public areas, the employees in inside area may be physically separated from the employee in public area and the demarcation of various departments as inside area shall be determined by the Compliance Officer in consultation with the Board.

## **TRADING WINDOW**

The Trading Window will remain open for Trading in the Securities of the company except during the period(s) prescribed hereunder.

Unless otherwise specified by the Compliance Officer, the trading window for Trading in Securities of the Company shall be closed for the Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons are reasonably expected to have UPSI, including for the following purposes:

1. Declaration of financial results,
2. Declaration of Dividends,
3. Change in capital structure,
4. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions,
5. Change in Key Managerial Personnel and
6. Material events in accordance with the listing agreement.

In respect of financial results the Trading Window shall remain closed from the date that is 7 days prior to the end of the respective quarter, half year or financial year as the case may be.

For the Item no. 2 to 6 the Managing Director / CEO of the company shall well before initiation of such activity form core team of Employees who would work on such assignment. He will also designate senior employee who will be in-charge of such activity and all these employees will execute the undertaking not to deal in Securities of the Company till the UPSI regarding the activity is made generally available or the activity is abandoned and the Trading Window would be regarded as closed for them. The core team may share information related to the activity with any connected person only on need to know basis for any advice or guidance required from such connected person, provided that such person are bound by confidentiality and undertake not to breach the Regulations. Further if the activity related to a listed company, the name of such listed company will be deemed to included in the restricted list which confidentially maintained by the Compliance Officer. The Compliance Officer shall use the restricted list as the basis for approving or rejecting applications for pre-trading.

The trading window shall be opened 48 hours after the information referred to above become generally available. All the designated persons shall strictly conduct all their Trading in the Securities of the Company only when the Trading Window is open and no Designated person or their immediate relative shall trade in securities of the company during the period the trading window is closed or during any other similar period as may be specified by the Compliance Officer from time to time.

#### **PRE APPROVALS OF DEALS IN SECURITIES**

Every designated person shall obtain a pre trading approval as per the procedure before doing any trading of the company securities either by himself or by any of his Immediate Relatives. The said pre approval is necessary only in the circumstances where the cumulative trading of the company securities in any financial year exceeds Rs. 10.00 Lakhs. The designated person should approach the compliance officer to execute the relevant prescribed forms and declarations and incase of compliance officer, he

has to make application and declaration to MD of the Company. The application can be made by electronic forms followed by hard copy. No designated person shall apply for pre trading approval if such person is in possession of UPSI even if the trading window is closed.

The Compliance office will consider the application preferably on the same trading day but not later than next trading day provided that such approval will not result in breach of any provisions of this policy. The approval shall be issued in the specified format and shall be valid for period seven working days from the date of approval.

In the absence of Compliance officer any other authorized person not below the rank of senior manager from finance team or compliance team shall issue the approval.

As mentioned in the above para the period of validity for such approval will be for 7 days and the designated person should submit within two trading days of the execution of deal, the details of deal with Compliance Officer in a prescribed format. In case if the transaction is not undertaken a report to that effect shall be filed in the prescribed format.

In case of lapse of period ( 7 days) for execution of trading deal pursuant to the approval granted by the Compliance officer the designated person or Immediate relative of the designated person may apply once again to the compliance officer for pre clearance of the transaction covered under the said approval.

The designated persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction i.e sell or buy, as the case may be, any number of securities of the company. The Compliance officer can grant relaxation from strict application of the above restriction after recording the reasons in this regards provided at such relaxation does not violate the regulations. It may however, be noted that in terms of the Regulations no such purchase/sale will be permitted when the Trading window is closed.

Notwithstanding the above, should the designated persons execute an opposite transaction, inadvertently or otherwise in violation of the restrictions set out above, 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 SEBI Act, 1992.

In case of doubt, the designated person shall check with the Compliance Officer or the officer designated by him/her from time to time whether the provisions relating to pre clearance are applicable to any proposed transaction in the Company's Securities. All the designated person should give the declaration in the specified format addressed to the compliance officer stating the shares held by them and by their Immediate Relatives and giving the undertaking that they will not involve in any violation of insider trading regulations.

**Code of fair disclosure practices:**

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

#### **Public Representation of the Company and the Group.**

The Company honors the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public constituencies such as media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. The Company shall be represented only by specifically authorized person by the Board. It shall be the sole responsibility of these authorized representatives to disclose information about the company.

#### **Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders:**

The Code of conduct which is elaborated in the beginning comprising of duties and powers of the compliance officer along with the detailed procedure to monitor the prohibition of insider trading of company securities. However the gist of minimum standards that required are reproduced.

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors.

2. 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 the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

3. Employees and connected persons designated on the basis of their functional role ("designated persons") in the organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

4. 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.

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. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

6. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

7. The compliance officer shall confidentially maintain a list of such securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for preclearance of trades.

8. 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.

9. The code of conduct has specified a reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.

10. The code of conduct has specified the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. 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 the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

11. The code of conduct has stipulated formats as the board of directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.

12. Without prejudice to the power of the Board under the Act, the code of conduct has stipulated the sanctions and disciplinary actions, including wage freeze, suspension etc., that may be imposed, by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct.

13. The code of conduct has specified that in case it is observed by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these regulations, they shall inform the Board promptly.

Any contravention to the policy will attract the penal provisions under Section 15G of SEBI Act. Any person, employee, directors, KMP contravenes the provisions of Insider Trading regulations shall be punishable with a fine of Rs. 10 lakhs which may extend to Rs. 25 Crores or imprisonment for a period 2 years or both.