

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY  
DESIGNATED PERSONS IN SECURITIES OF  
CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED (CFHL)**

**1. PURPOSE:**

This Code is formulated to regulate, monitor and report Trading by Designated Persons and their Immediate Relatives. The objective of this Code is the preservation of confidentiality of unpublished price sensitive information (“**UPSI**”), to prevent misuse of such information and to prohibit a Designated Person and his / her Immediate Relative from Trading in CFHL’s Securities while in possession of UPSI. This Code also lays down the ethical standards to be adhered to while dealing in Securities of the Company. The Code has been framed and adopted under Regulation 9 read with Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**2. EFFECTIVE DATE:**

This code shall come into force on April 1, 2019 and shall replace the earlier code of conduct which came into force on November 1, 2016.

**3. DEFINITIONS:**

- 3.1. ‘**Act**’ means the Securities and Exchange Board of India Act, 1992 as amended from time to time.
- 3.2. ‘**Audit Committee**’ means the audit committee of the Board.
- 3.3. ‘**Board**’ or ‘**Board of Directors**’ shall mean the board of directors of the Company.
- 3.4. ‘**Company**’ or ‘**CFHL**’ means Cholamandalam Financial Holdings Limited.
- 3.5. ‘**Compliance Officer**’ for the purpose of this Code means the Company Secretary or in his/her absence any senior officer, designated so by the Board and reporting to the Board, who is Financially Literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI Insider Trading Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in the SEBI Insider Trading Regulations under the overall supervision of the Board.
- 3.6. ‘**Connected Person**’ means:  
any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of:
  - frequent communication with its officers; or
  - being in any contractual, fiduciary or employment relationship; or
  - being a Director, officer or an employee of the Company; or
  - holding 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.

Further, following shall be deemed to be Connected Persons unless the contrary is established;

- an Immediate Relative of Connected Person as specified above;
- a holding company or associate company or subsidiary company;
- bankers to the Company; or
- a concern, firm, trust, HUF, company or association of persons wherein a Director of the Company or his Immediate Relative or banker of the Company has more than 10% holding or interest.

3.7. **'Designated Person(s)'** shall mean any person who the Board shall, in consultation with the Compliance Officer, specify to be covered by the Code on the basis of their role and function in the Company and the access that such role and function would provide to UPSI, in addition to seniority and professional designation, and shall include:

- (i) Directors of the Company;
- (ii) All Promoters of the Company;
- (iii) Officers as defined in the Companies Act, 2013 as amended from time to time;
- (iv) Chief Executive Officer and employees up to two levels below Chief Executive Officer i.e. MG-8 and above of the Company and its material subsidiaries;
- (v) All employees of the Company and its material subsidiaries who have access to UPSI in various business divisions and functions including Finance, IT and Secretarial as may be determined by the respective business/functional heads jointly with the Compliance Officer on the basis of the role/function in addition to seniority and professional designation;
- (vi) All executive assistants/confidential secretaries to persons mentioned under [(i) to (iv)] supra;
- (vii) Any other person as may be specified by the Board, in consultation with the Compliance Officer of the Company from time to time.

For the purpose of this code, **'material subsidiary'** shall mean a subsidiary, as defined under Company's policy for determining a material subsidiary.

3.8. **'Director'** shall mean a member of the Board of Directors.

3.9. **'ESOP'** means employee stock options granted by the Company to its employees, pursuant to Employee Stock Option Scheme/s or plans applicable from time to time.

3.10. **'Financially Literate'** means a person who has the ability to read and understand basic financial statements i.e. balance sheets, profit and loss account, and statement of cash flows.

- 3.11. **'Generally Available Information'** means information that is accessible to the public on a non-discriminatory basis, and shall not include unverified event or information reported in print or electronic media ;.

***NOTE:*** It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what constitutes unpublished price sensitive information. Information published on the website of a stock exchange, would ordinarily be considered generally available.

- 3.12. **'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. It is clarified that, even if a spouse is financially independent and does not consult his / her spouse in taking decisions relating to Trading in Securities, such spouse is presumed to be an Immediate Relative, unless rebutted so.

For the purpose of this Code, the declaration given by a Designated Person in relation to an Immediate Relative who is either dependent financially on the person or who consults such person in taking decisions relating to Trading in Securities will be relied on by the Compliance Officer.

- 3.13. **'Insider'** means any person who is:

- (i) a Connected Person; or
- (ii) in possession of or having access to UPSI.

- 3.14. **'Key Managerial Personnel'** shall have the meaning assigned to it in Section 2(51) of the Companies Act, 2013, as amended or modified.

- 3.15. **'Promoter'/ 'Promoter Group'** shall have the meaning assigned to them respectively under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

- 3.16. **'SEBI'** means the Securities and Exchange Board of India.

- 3.17. **'SEBI Insider Trading Regulations'** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

- 3.18. **'Securities'** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof.

- 3.19. **'Takeover Regulations'** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

- 3.20. **'Trading'** means and includes subscribing, redeeming, switching, buying, selling, dealing or agreeing to subscribe, redeem, switch, buy, sell, deal in Securities and **'Trade'** shall be construed accordingly.

*Explanation:* Exercise of ESOPs shall not be considered as Trading except for the purpose of disclosures under Chapter III of the SEBI Insider Trading Regulations.

Further, “dealing” shall include pledging etc.

- 3.21. **‘Trading Day’** means a day on which recognized stock exchanges are open for trading.
- 3.22. **‘Trading Plan’** shall have the meaning assigned to it in Clause 9.
- 3.23. **‘Trading Window’** refers to the period during which the Company’s Securities can be Traded by the Designated Person in accordance with this Code.
- 3.24. **‘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 be restricted to, information relating to the following:
- (i) financial results
  - (ii) dividends
  - (iii) change in capital structure
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
  - (v) changes in Key Managerial Personnel;

Words and expressions used and not defined in this Code but defined in SEBI Act, 1992, the SCRA Act, 1956, the Depositories Act, 1996 or Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

#### **4. ROLE OF COMPLIANCE OFFICER:**

- 4.1 The Compliance Officer shall report to the Board of the Company regarding compliance with the SEBI Insider Trading Regulations, and in particular, shall provide reports (in such formats as may be specified by the Board) on dealing in Securities by Designated Persons to the Chairman of the Audit Committee on a quarterly basis.
- 4.2 In the absence of the Compliance Officer for any reason, any senior officer, reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance, shall be appointed by the Board to carry out the responsibilities of the Compliance Officer as required under this Code and the SEBI Insider Trading Regulations.
- 4.3 The Compliance Officer shall be responsible for:
- (i) administering this Code and other requirements under the SEBI Insider Trading Regulations for compliance of the policies, procedures prescribed therein.
  - (ii) setting forth policies, procedures, maintenance of records and monitoring adherence to the rules for preservation of UPSI;
  - (iii) monitoring of trades and implementation of this Code under the overall supervision of the Board of Directors of the Company;
  - (iv) providing disclosures to the stock exchange as required under the SEBI Insider Trading Regulations;

- (v) pre-clearing of Trades by Designated Persons and their Immediate Relatives, in accordance with the SEBI Insider Trading Regulations and this Code;
  - (vi) maintaining a list of Designated Persons and also updating changes to the list from time to time;
  - (vii) maintaining a record of the opening and closing of the Trading Window;
  - (viii) reviewing the Trading Plan and assessing the potential of the plan for violation of the SEBI Insider Trading Regulations, if any;
  - (ix) approving and monitoring the implementation of the Trading Plan;
  - (x) notifying the Trading Plan to the stock exchanges where the Securities are listed, on approval of the plan; and
  - (xi) maintaining records of all declarations and disclosures received by him/ her under this Code for a minimum period of 5 years.
- 4.4 The Compliance Officer shall be authorized to seek such information from the Designated Persons and Connected Persons as may be required to ensure or verify compliance with this Code and the SEBI Insider Trading Regulations and to give such approvals as are specified in the Code.
- 4.5 The Compliance Officer shall assist Designated Persons in addressing any clarifications regarding the SEBI Insider Trading Regulations and this Code.
- 5. PRESERVATION, COMMUNICATION AND PROCUREMENT OF UPSI:**
- 5.1 All Insiders shall maintain confidentiality of all UPSI and shall not communicate, provide or, allow access to such UPSI to any person directly or indirectly, except as permitted under Clause 5.2.
- 5.2 All information is to be handled within and outside the Company on a “need to know” basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes (in accordance with the Company’s policy for determination of “legitimate purpose”), performance of duties or discharge of legal obligations.
- 5.3 Further no person shall procure from or cause the communication by any Insider, of UPSI, relating to the Company or its Securities, either directly or indirectly except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 5.4 The Company’s code for fair disclosures lays down the principles for determining legitimate purposes for this purpose of this code.
- 5.5 UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which would:
- (i) entail an obligation to make an open offer under the Takeover Regulations where the Board is of the informed opinion that the sharing of such information is

in the best interests of the Company; or

- (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board is of the informed opinion that the sharing of such information is in the best interests of the Company and the information that constitutes UPSI is disseminated to be made Generally Available at least two Trading Days prior to the proposed transaction being effected in such form as the Board may determine to be adequate and fair to cover all relevant and material facts.

However, the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose for which the information was provided and shall not otherwise trade in Securities of the Company when in possession of UPSI.

5.6 While dealing with or handling UPSI within the Company, the Company shall establish policies, procedures and physical arrangements designed to manage confidential information and prevent the inadvertent spread and misuse of UPSI, or the appearance thereof.

**5.7 Need-to-Know:**

- (i) Sharing information on a “need-to-know” basis means that UPSI should be disclosed only to those within the Company who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or would likely result in misuse of the information.
- (ii) All non-public information directly received by any employee which is not in accordance with sub-clause (i) above should immediately be reported to the head of the department and the Compliance Officer.

**5.8 Sensitive Transactions:**

- (i) In case of any proposed transactions which are sensitive in nature and may involve UPSI, the access to details / UPSI shall be restricted on a need-to-know basis, and the constitution of any “deal teams” or additions / modifications to a “deal team” should be done on a need-to-know basis, and informed to the Compliance Officer.
- (ii) At the time of formulation of a deal team or addition / modification to a deal team, the Compliance Officer shall inform the member / new members of the deal team regarding their responsibilities and obligations under the SEBI PIT Regulations and the Code, including the responsibilities to maintain confidentiality, restrictions on sharing of UPSI and the liability for breaching the SEBI PIT Regulations and the Code.

**5.9 Chinese Walls:**



In order to prevent unauthorized access to UPSI, the Company shall, to the extent practical:

- (i) separate those areas of the Company and its employees which have access to UPSI (considered “inside areas”), from other areas (considered “public areas”).
- (ii) restrict access to inside areas to persons who are required to access the UPSI (on a need-to-know basis);
- (iii) if required, employees from the public areas may be brought “over the wall” and given UPSI on a need-to-know basis, for specified time periods;
- (iv) Implement appropriate access controls vis-à-vis the databases wherein UPSI is stored.

## **6. PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:**

6.1. No Designated Person or Connected Person shall:

- (i) either on his own behalf, or on behalf of any other person, Trade when in possession of any UPSI, except in accordance with the SEBI Insider Trading Regulations; or
- (ii) advise any person to Trade in Securities while being in possession, control or knowledge of UPSI. For avoidance of any doubt it is clarified that “advice” shall mean to include recommendations, communications or counseling.

### **6.2. Structured Digital Database:**

The Chief Financial Officer (CFO) shall ensure that a structured digital database is maintained containing the following:

- i. the nature of unpublished price sensitive information
- ii. the names of such persons who have shared the information
- iii. the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. Any sharing of UPSI by any Designated Person including pursuant to the Company’s code for fair disclosure of UPSI shall be reported to the CFO to enable him update the database.

The CFO shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

### **6.3. Institutional Mechanism for Prevention of Insider Trading:**

The purpose of the Code is to put in place an adequate and effective system of internal controls to ensure compliance with the relevant requirements of the SEBI Insider Trading Regulations. The Board or the Compliance Officer may, if required, develop and implement further policies and procedures in this regard for compliance with the SEBI Insider Trading Regulations, or otherwise as they deem fit.

#### **6.4. Limited Access to UPSI:**

Files containing UPSI shall be kept secure by the head of the department. Computer files must have adequate security of login and password, etc.

### **7. TRADING NORMS:**

#### **7.1. Trades in Securities of the Company by Designated Persons and their Immediate Relatives shall be governed by the Code, including the Trading restrictions enumerated below:**

- (i) Designated Persons and their Immediate Relatives may execute trades subject to compliance with the SEBI Insider Trading Regulations. Towards this end, a notional Trading Window shall be used as an instrument of monitoring trades by Designated Persons and their Immediate Relatives.
- (ii) All Designated Persons shall conduct all their trades in the Securities of the Company only when the Trading Window is open or during any other period as may be specified by the Compliance Officer or the Board from time to time. When the Trading Window is closed, Designated Persons and their Immediate Relatives shall not trade in the Securities of the Company.
- (iii) The Trading Window shall be closed when the Compliance Officer (including on the advice of the CEO/ Managing Director) determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI.
- (iv) The Trading Window shall be closed from the end of every quarter till 48 hours after the declaration of financial results. The Board shall endeavor to ensure that the gap between clearance of accounts by Audit Committee and the meeting of the Board should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- (v) The timing for re-opening of the Trading Window shall be determined by Compliance Officer after taking into account various factors, including whether the UPSI has become Generally Available Information or not and is capable of being assimilated by the market, which in no event shall be earlier than 48 hours after the information becomes Generally Available Information.

#### **7.2. Without prejudice to generality of the foregoing, Trading is not permitted during the following periods:**

- (i) In respect of financial results, from the first day of the month following the respective calendar quarter ending (March / June / September / December), as the



case may be until expiry of 48 hours from the time the results are communicated to the stock exchanges.

- (ii) In respect of other events, not allowed in the period as and when the Chief Executive Officer or Managing Director or the designated Chief Investor Relations Officer (CIO, as defined in the Company's code for fair disclosure of UPSI) of the Company may advise the Compliance Officer from time to time.

7.3. All Designated Persons of the Company shall conduct all their dealings in the Securities of the Company only in a valid Trading Window, in compliance with Clause 7 and Clause 8 of this Code. In case of ESOPs, exercise of option may be allowed in the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when Trading Window is closed or during any other period as may be specified by the Company from time to time. Further, the Trading Window shall be applicable to any person having a contractual or fiduciary relationship with the Company, including its auditors, accountancy firms, law firms, etc., assisting or advising the Company.

7.4 The trading window restrictions shall not apply in respect of following transactions, subject to pre-clearance by the compliance officer –

- i) If the transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI.
- ii) If the transaction was carried out through the block deal window mechanism between persons who were in possession of UPSI.
- iii) If the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- iv) Transactions in respect of a pledge of shares for a bonafide purpose such as raising of funds
- v) Transactions undertaken in accordance with respective regulations such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

## **8. PRE-CLEARANCE OF TRADES:**

8.1 When the Trading Window is open, Trading by Designated Persons and their Immediate Relatives shall be subject to pre-clearance by the Compliance Officer, irrespective of the number of Securities to be traded or the value of the proposed trades.

8.2 All Designated Persons on their behalf and on behalf of their Immediate Relatives, who intend to Trade in Securities of the Company when the Trading Window is open, should pre-clear the proposed Trades as per the pre-dealing procedure described hereunder. No Designated Persons shall apply for pre-clearance of any proposed Trade if such Designated Person is in possession of UPSI even if the Trading Window is not closed. It is clarified that it is the responsibility of the Designated Persons to obtain pre-clearance approvals in respect of Trades proposed to be conducted by them or their Immediate Relatives.

8.3 An application may be made in such mode and form as may be prescribed by the

Company to the Compliance Officer indicating the estimated number of Securities/ the value of the Securities that the Designated Person intends to deal in, the details as to the depository with which he has a security account, number of Securities held by him in physical and depository mode and such other details as may be required by the Company in this regard.

8.4 A declaration shall be executed in favour of the Company by such Designated Person incorporating, *inter alia*, the following clauses, as may be applicable:

- (i) That the applicant does not have any access to or has not received UPSI up to the time of signing the declaration.
- (ii) That in case the applicant has access to or receives UPSI after the signing of the declaration but before the execution of the Trade, the applicant shall inform the Compliance officer of such access to or receipt of UPSI and confirm that the applicant would completely refrain from Trading in the Securities of the Company till the time that any UPSI possessed by such applicant becomes Generally Available.
- (iii) That the applicant has not contravened this Code, as notified by the Company from time to time.
- (iv) That the applicant has made a full and true disclosure of all relevant information in the matter while applying for pre-clearance to Trade
- (v) The Compliance Officer shall have regard to whether the above declaration is reasonably capable of being rendered inaccurate.

8.5 With reference to UPSI (other than relating to financial results), the Managing Director / Chief Executive Officer or the Compliance Officer, shall, well before the initiation of such activity / project, form a core team of Designated Persons and / or group of persons who would work on such assignment. Such persons will execute an undertaking not to deal in Securities of the Company till the UPSI regarding the activity / project is made Generally Available or the activity / project is abandoned, and the Trading Window would be regarded as closed for them for the said period.

## **9. OTHER RESTRICTIONS:**

9.1 All Designated Persons and their Immediate Relatives shall execute their Trades in respect of Securities of the Company within 7 Trading Days after the approval of pre-clearance is given, or a period of less than 7 Trading Days, in the event the Trading Window closes, prior to expiry of the period of 7 Trading Days.

9.2 The Designated Person shall file within 2 (two) Trading Days of the execution of the transaction, the details of such transaction with the Compliance Officer in the prescribed form. If the Trade is not executed within 7 Trading Days (or such shorter period, as applicable) after the pre-clearance approval is given, a report to that effect shall be filed with the Compliance Officer in the prescribed form. Within 15 days of the close of every financial year, all Designated Persons shall make a reporting of the level of holdings in Securities of the Company in accordance with the prescribed form.

- 9.3 If the order is not executed within seven Trading Days after the approval for pre-clearance is given, the approval shall lapse and a fresh pre-clearance approval will be required.
- 9.4 The Compliance Officer shall either pre-clear the requested deal or decline to pre-clear the same within 7 Trading Days of receipt of the request in the prescribed form or such shorter period in the event the Trading Window is due to be closed prior to 7 Trading Days of receipt of the request.
- 9.5 In case the Compliance Officer or any of his / her Immediate Relatives wish to Trade in the Securities of the Company, he / she should get the Trade pre-cleared by the Chief Executive officer/Managing Director of the Company, and the procedure laid out in this Code shall apply *mutatis mutandis*.
- 9.6 Designated Persons and their Immediate Relatives who buy or sell any Securities of the Company shall not enter into an opposite transaction (contra trade) viz., sell or buy any Securities of the Company, during the next six months following the prior transaction, as the case may be for a period of six months following the previous transaction. Further, they shall also not take any position in derivative transactions in the Securities at any time. In case any contra trade is executed, inadvertently or otherwise, in violation of these restrictions, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- Note:* Contra trade restrictions shall not apply in respect of trades carried out by Designated Persons in accordance with an approved Trading Plan, participation in buy back offers, open offers, rights issues, FPOs, bonus issues, exit offers, pursuant to an exercise of stock options etc., of the Company.
- 9.7 The Compliance Officer is empowered to grant relaxation from the strict application of the abovementioned contra trade restrictions after recording the reasons in writing, provided such relaxation does not violate the SEBI Insider Trading Regulations. However, no such sale will be permitted when the Trading Window is closed.

## 10. **TRADING PLANS:**

Any Insider is entitled to formulate a Trading Plan enabling him/her to trade in Securities of the Company, in a compliant manner (“**Trading Plan**”). The Compliance Officer will review the Trading Plan to assess whether the plan potentially violates the SEBI Insider Trading Regulations. The Trading Plan, once approved by the Compliance Officer will be notified to the stock exchanges where the Securities of the Company are listed, pursuant to which the proposed Trades may be carried out on in accordance with such plan.

A Trading Plan shall:

- (i) not entail commencement of Trading on behalf of the Insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;

;

- (ii) not entail overlap of any period for which another Trading Plan is already in existence;
  - (iii) set out following parameters for each trade to be executed:
    - a. either the value of trade to be effected or the number of securities to be traded;
    - b. nature of the trade;
    - c. either specific date or time period not exceeding five consecutive trading days;
    - d. price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
      - 1. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
      - 2. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.
- and
- 3. not entail trading in securities for market abuse.

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 monitor the implementation of the plan, provided that:

- (i) pre-clearance of trades shall not be required for a trade executed as per an approved Trading Plan; and
- (ii) Trading Window norms shall not be applicable for trades carried out in accordance with an approved Trading Plan.

The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

Once approved, the Trading Plan will be irrevocable and the Insider will be required to mandatorily implement the Trading Plan without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law. Implementation of an approved Trading Plan shall not commence if any UPSI in possession of the Insider at the time of formulation of the Trading Plan is not Generally Available at the time of commencement of the implementation of the Trading Plan.

Further, if the insider has set a price limit for a trade under clause iii(d) above, the insider shall execute the trade only if the execution price of the security is within such limit. If the price of the security is outside the price limit set by the insider, the trade shall not be executed.

## **11. REPORTING REQUIREMENTS:**

- 11.1 The disclosures to be made by any person under Chapter III of the SEBI Insider Trading

Regulations shall include those relating to Trading by such person's Immediate Relatives, and by any other person for whom such person takes trading decisions.

11.2 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 for purposes of Clause 11, provided that Trading in derivatives of Securities is permitted by any law for the time being in force.

11.3 The disclosures made under this Code shall be maintained by the Company for a period of five years.

#### 11.4 **Disclosure**

(i) Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a member of the Promoter Group shall disclose his holding of Securities of the Company as on the date of appointment or becoming a member of the Promoter Group, to the Company within seven days of such appointment or becoming a member of the Promoter Group in the prescribed form.

#### 11.5 **Continual Disclosures**

(i) Every Promoter, member of Promoter Group, Designated Person and Director of the Company shall disclose to the Company the number of such Securities acquired or disposed of within two Trading Days of such transaction 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 Rupees Ten lakhs or such other value as may be specified, in the prescribed form. Any off-market inter-se Trades between Insiders shall be reported by the Insiders to the Company within two Trading Days, irrespective of the value or number of Securities Traded.

(ii) The disclosure shall be made within two Trading Days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of Securities, as the case may be.

(iii) Particulars of such Trading shall be reported by the Company to the stock exchanges on which Securities are listed within two (2) Trading Days of receipt of the disclosure under clause 10.4(i) above or becoming aware of such information.

(iv) It is clarified for the avoidance of doubt that the disclosure of incremental transactions after any disclosure under Clause 10.4(i) of this Code, shall be made when the transactions effected after the prior disclosure given in a calendar quarter cross the threshold specified above.

(v) The Company may, at its discretion require any other Connected Persons or a class of Connected Persons to make disclosures of holdings and Trading in Securities of the Company in such form and at such frequency as may be determined by the Compliance Officer in order to monitor compliance with the SEBI Insider Trading Regulations in the prescribed form.

- (vi) The Compliance Officer shall maintain records of all the declarations received in the prescribed forms for a minimum period of five years.
  - (vii) The Compliance Officer shall place before the Board of the Company, on a quarterly basis, all the details of the dealing in the Company's Securities by Designated Persons. The above report will also include reporting of pre-clearances not granted and decisions taken not to Trade after securing pre-clearances.
- 11.6 Designated Persons are required to disclose names and 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:
- (i) Immediate Relatives;
  - (ii) Persons with whom such Designated Person(s) shares a material financial relationship; and
  - (iii) 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.

Explanation – The term “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 from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions

## **12. PROTECTION AGAINST RETALIATION AND VICTIMISATION:**

This Code prohibits any kind of retaliation or victimization against Informants who file a Voluntary Information Disclosure form in terms of the Chapter IIIA of the SEBI (Prohibition of Insider Trading) Regulations, 2015. Any Employee who files a Voluntary Information Disclosure Form irrespective of whether the information is accepted or rejected by SEBI will be suitably protected against any unfair discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination by reason of.:

- (i) filing a Voluntary Information Disclosure Form under these regulations;
- (ii) testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

For the purpose of this clause, the terms 'Employee', Informant, Voluntary Information Disclosure Form and other terms not specifically defined herein shall have the same meaning as ascribed to them in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Further, nothing in the Regulations or the Code shall be deemed to provide any amnesty or



immunity to an Informant for violation of any securities law.

**13. POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAKAGE OF UPSI:**

In case of leakage of UPSI, the same would be investigated in accordance with applicable Company policy(ies).

**14. PENALTY FOR CONTRAVENTION OF THE CODE:**

- 14.1 Any Designated Person who contravenes the Code or the SEBI Insider Trading Regulations may be penalised and appropriate action may be taken by the Company.
- 14.2 Any Designated Person who violates this Code shall also be subject to disciplinary action by the Company. The penalty may include warning, wage freeze, suspension, recovery, termination, ineligibility for future participation in employee stock option plans, etc.
- 14.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI Insider Trading Regulations.
- 14.4 Any amount collected as penalty under this Code shall be credited to the Investor Protection and Education Fund administered by SEBI.

**15. INFORMATION TO STOCK EXCHANGES IN CASE OF VIOLATION OF THE SEBI INSIDER TRADING REGULATIONS:**

In case of violation of the SEBI Insider Trading Regulations, the Compliance Officer shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the SEBI from time to time.

**16. COMMUNICATION:**

- (i) This Code will be uploaded in the website of the Company. This Code will be disseminated to all Designated Persons, who shall abide by the same. The responsibility for complying with the provisions of the SEBI Insider Trading Regulations shall vest with each Designated Person (on their behalf and on behalf of their Immediate Relatives).
- (ii) The Compliance Officer can be contacted for any clarification/ assistance in relation to this Code.

**17. INTERPRETATION OR CLARIFICATION:**

In case any difficulty or doubt arises in the interpretation of this Code, the matter shall be referred to any two Directors and their decision shall be final and binding. If the issue involves any act or matter involving the Chairman, the Chairman of the Audit Committee shall decide upon such issue.

**18. DISCLAIMER:**

It is the responsibility of each Designated Person and his / her Immediate Relative to ensure compliance with the provisions of this Code and the SEBI Insider Trading Regulations and other related laws. The Company shall not be responsible or liable for any violation or contravention by any such Designated Person or his / her Immediate Relative of the Code or the SEBI Insider Trading Regulations or other related laws.

**19. REVIEW:**

The compliance of this Code with the provisions of the SEBI Insider Trading Regulations shall be reviewed periodically by the internal auditors of the Company. The Audit Committee shall also review compliance with the provisions of these SEBI Insider Trading Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

**20. OTHERS**

20.1 The CEO / Managing Director shall approve minor modifications to this Code which would remove ambiguities, enhance clarity on the provisions of the Code, correct clerical errors etc. Any major modification to the Code will require authorization by the Board.

20.2 Where the Company engages a service provider who has or is expected to have access to UPSI, the head of the department at the Company which engages such Connected Person shall inform the Compliance Officer of the same. The Compliance Officer, on receiving such intimation, shall be responsible for communicating the requirements of this Code to such Connected Person and verify whether such Connected Person has an appropriate code of conduct in accordance with the SEBI Insider Trading Regulations to prevent such persons from misusing UPSI of the Company, as well as the efficacy and implementation of such code by such Connected Persons.

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