COMPANY'S INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

INTRODUCTION:

Securities and Exchange Board of India (SEBI) has replace the SEBI (Prohibition of Insider Trading) Regulations, 1992 with SEBI (Prohibition of Insider Trading) Regulations, 2015. These Regulations are now called the SEBI (Prohibition of Insider Trading) Regulations 2015, (hereinafter referred to as "the regulations"). The Regulations seek to govern the conduct of the Insiders, Connected Persons and Persons who are deemed to be connected persons on matters relating to Insider Trading.

The Regulations requiring all listed companies and other specified entities to set up an appropriate mechanism and to frame and enforce a code of conduct and internal procedures prescribing various disclosures of interests or holding to be made by directors, officers and substantial shareholders in the listed Companies.

OBJECTIVE:

The Objects of the Regulations is to prevent insider trading by prohibiting trading, communicating or counseling on matters relating to insider trading as specified in the Regulations.

The Regulation provides that no insider shall;

- Either on his own behalf or on behalf of any other person, trade in securities of a Company listed on any Stock Exchange(s) when in possession of any unpublished price sensitive information; or

- Communicate, counsel or procure, directly or indirectly, any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities.

Such restriction shall not be applicable to any communication required in the ordinary course of business or under any law.

Regulation also provides that no Company shall deal in the securities of another listed Company or associate of that other Company while in possession of any unpublished price sensitive information.

WHAT IS INSIDER TRADING?

Insider Trading is the buying or selling or dealing in the securities of a listed Company by a director, member of the management, an employees of the Company, firm or by any other person such as internal and statutory auditor, agent, advisor, analyst, consultant, etc., who has knowledge of material inside information not available to the general public. The dealing in the securities of the Company is illegal by an "insider" when it is predicated upon the utilization of inside information to profit at the expense of other investors who do not have access to such information.

CERTAIN IMPORTANT EXPRESSIONS (DEFINITIONS)

Board: Board Means the Board of Directors of the Company

Connected Person: 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.

The persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:

a) an immediate relative of connected persons
b) a holding company or associate company or subsidiary company;
c) an intermediary as specified in section 12 of the Act or an employee or director thereof;
d) an investment company, trustee company, asset management company or an employee or director thereof;
e) an official of a stock exchange or of clearing house or corporation;
f) 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;
g) 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;
h) an official or an employee of a self-regulatory organization recognised or authorized by the Board;
i) a banker of the company;
j) 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.

Designated Employee: Designated employee means and includes;

- ✓ Directors of the Company

- ✓ Officers comprising the top three tiers of the Company management – Executives, Managers and General Managers.

- ✓ All employees working in the Finance and Accounts Department / function, whether temporary or permanent.

- ✓ Employees designated by the Compliance Officer, in consultation with the Chief Executive Officer / Managing Director or Board of Directors.

Generally available information: Generally available information means information that is accessible to the public on a non-discriminatory basis.

Immediate relative: 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.

Insider: Insider means any person who is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company or who have received or had access to such unpublished price sensitive information.

Officer: Officer means and includes all persons who are in the employment of the Company in the Executive and above level, includes the Statutory and Internal Auditors of the Company.

Promoter shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

Prohibited Period:

- ✓ **All Promoter Director(s) / persons acting in concert with promoters and/or their relatives / officers / designated employees / employees working in Finance / Accounts / Marketing Department and their dependent family members.**

  Period starts with the first day of the month from the end of the quarter till the end of 24 hours from the time the Price Sensitive information considered by the Board is made public.

- ✓ **Other Directors and Officers / employees working in any other department and their dependent family members.**

  The Prohibited period commences from the date of posting the Agenda of the Audit Committee / Board Meeting in which the price sensitive information is to be considered and ending after 24 hours from the time the prince sensitive information is made public.

Or the Compliance Officer, from time to time, in consultation with Chief Executive Officer and/or Chairman may specify any other period as prohibited period.

Regulations: Regulations means SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

Securities: Securities means and includes, the equity shares of the Company or any other marketable instruments as may be issued by the Company from time to time.

Specified: Specified means specified by the Board in writing.

Takeover regulations: Takeover regulations means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Trading: Trading means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities.

Trading day: Trading day means a day on which the recognized stock exchanges are open for trading.

Trading Window: Trading Window means the free period during which dealing in the securities of the Company is not specifically restricted or prohibited.

Unpublished Price Sensitive Information: means any information, relating to a 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, delistings, 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.

COMPLIANCE OFFICER

Compliance Officer: Compliance Officer means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization.

DUTIES AND POWER OF COMPLIANCE OFFICER;

1. To set forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", monitoring the transactions whether pre-clearance of designated employees and their dependents', whether the trades are executed within one week and the implementation of the code of conduct.

2. Shall be subject to overall supervision of the Board of Directors reporting to the Managing Director / Chief Executive Officer.

3. To suggest any improvements required in the policies, procedures, etc to ensure effective implementation of the code.

4. To maintain a record of all connected persons covered and any changes made to the list of connected persons.

5. To assist all the employees in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations 2015 and the company's code of conduct.

6. To maintain a list of all information termed as "Price Sensitive Information".

7. To maintain a record of names of files containing confidential information deemed to be price sensitive information and persons in charge of the same.

8. To keep the records of periods specified as "Prohibited Period"

9. To ensure that the "Trading Window" is closed at the time of;

    a. Declaration of Financial results (quarterly, half-yearly and annual)
    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

10. To process applications received for pre-clearance of transactions as per the procedure laid down.

11. To procure undertaking in favour of the Company from persons applying for pre-clearance of transactions in the prescribed format.

12. To ensure that a minimum holding period of 30 is observed by all directors / officers / designated employees.

13. To waive the requirement of minimum holding period of 30 days under specified circumstances.

14. To receive and maintain records of periodic and annual statement of holdings from directors / officers / designated employees and their dependent members.

15. To maintain the records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of three years.

16. To place before the Managing Director / Committee of Directors / Chief Executive Officer, as may be decided by the Board of Directors for the purpose, on a monthly basis all the details of the dealings in the securities by employees / directors / designated employees of the company and the accompanying documents that such persons had executed under the pre-clearance procedure.

17. To implement punitive measures or disciplinary action prescribed for any violation or contravention of the code of conduct.

18. To inform the Board promptly of any violation observed or knowledge thereof.

PROHIBITION OF TRADING IN SECURITIES, COMMUNICATING OR COUNSELING ON MATERS RELATING TO THE INSIDER TRADING

No Insider shall;

- Either on his own behalf or on behalf of any other person deal in securities of the Company when in the possession of any unpublished price sensitive information.

- Communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

TRADING RESTRICTIONS FOR INSIDERS;

All Directors / Officers / Designated employees or Connected persons of the Company;

- Shall conduct all their dealing in the securities of the Company only in the trading window during which the dealing is not specifically prohibited and shall not deal in any transactions involving the purchase or sale of the Company's securities during the prohibited period / period when the trading window is closed.

- Shall deal in the Securities of the Company only after fulfilling the conditions laid down hereinafter.

- Shall not deal in the securities of the Company on considerations of a short-term nature that is within intention of selling the securities within the period 30 days from the date of purchase.

  The Compliance Officer may waive the minimum holding period of 30 days, in case sale of securities is necessitated by personal emergency, upon making an application in the prescribed form, attached herewith to these rules..

PRE-CLEARANCE OF TRANSACTIONS;

All Directors / Promoters / Persons acting in concert with promotes and/or their relatives / Officers / Designated employees or Connected persons of the Company and their relatives;

- Shall deal in securities of the Company during the free period only.

- Shall obtain the prior permission/consent in writing from the Compliance Officer in case they intend to deal in securities of the Company in the excess of

- ✓ 1000 (One Thousand) shares in number in case of Directors / Promoters / Persons acting in concert with promoters and/or their relatives

- ✓ 500 (Five Hundred) shares in number in case of other persons viz. Officers / Designated employees or Connected persons of the Company and their relatives.

- Shall make an application, in duplicate, for obtaining the prior permission/consent in prescribed form

- Shall deal in the securities of the Company for which prior permission/consent is obtained within seven days from the date of permission/consent.

- Shall apply afresh, in case he/she fail to execute the deal within one week from the date of permission/consent.

- Shall give an undertaking alongwith the application, in favour of the Company stating that;

  - he/she doesn't have access to or has not received price sensitive information upto the time of signing the undertaking.

  - He/she has access to or has received price sensitive information at the time of executing the undertaking, but he/she would refrain from dealing in the securities of the company till such time the information becomes public.

  - He/she has not contravened these rules.

  - He/she has made a full and true disclosure in the matter.

- Shall receive the permission/consent from the Compliance Officer within two days from the date of submission.

- Shall ensure that his/her stockbroker is authorized to disclose to the Company all matters relevant to his/her share dealings, if required by the Compliance Officer.

- Shall also inform the Compliance Officer, all deals in the securities of the Company below the threshold limit of;

  - ✓ 1000 (One Thousand) shares in number in case of Directors / Promoters / Persons acting in concert with promoters and/or their relatives

  - ✓ 500 (Five Hundred) shares in number in case of other persons viz. Officers / Designated employees or Connected persons of the Company and their relatives.

  within two trading days from the date of execution of deal.

The Compliance Officer shall retain all copies of applications and acknowledgements.

If the Compliance Officer feels opines that the proposed deal is on the basis of possession of any unpublished price sensitive information, he may reject the application for pre-clearance. The Compliance Officer is not obliged to give reasons for rejection / withholding the permission/consent.

DISCLOSURE REQUIREMENTS;

I. **Initial Disclosure:**

a. Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days.

b. 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 as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

II. **Continual Disclosure**:

a. Every promoter, employee and director of every 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 ten lakh rupees.

b. Every 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 or from becoming aware of such information.

III. Disclosures by other connected persons:

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or 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 company in order to monitor compliance with these regulations.

IV. Periodical Disclosure:

All Directors / Promoters / Persons acting in concert with promotes and/or their relatives / Officers / Designated employees or Connected persons and their relatives, along-with dependent family members, shall disclosure to the Company periodically, whenever there is change in their shareholdings.

V. Annual Disclosure:

All Directors / Promoters / Persons acting in concert with promotes and/or their relatives / Officers / Designated employees or Connected persons and their relatives, along-with dependent family members, shall disclosure to the Company their holding on or before 30th April every year.

DISCLOSURE BY COMPANY;

The Compliance Officer, within 2 working days of receipt, shall disclose to all Stock Exchange(s) on which the Securities of the Company are Listed, the information(s) received under above paras.

MAINTAINING CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION;

- ✓ All Officers, designated employees shall maintain the confidentiality of all Price Sensitive Information and shall not pass on such information to any person directly or indirectly by way of making a recommendation for the dealing in Securities of the Company

- ✓ The Officers, designated employee shall disclosure the Price Sensitive Information only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appears to misuse the information.

- ✓ If any Officer, designated employees happens to receive any price sensitive information, he/she shall immediately report the same to the head of department, who in turn shall inform the same to the Compliance Officer in the prescribed form.

- ✓ Files containing confidential information shall be kept secure under the lock and key. Computer files must have adequate security of login and password etc. The departmental head shall nominate a member of depart for ensuring the compliance with this clause.

CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING;

Before sharing any of the following information with analysts, shareholders and media, it shall be approved in advance by the Compliance Officer and Chief Executive Officer.

1. Periodical Financial results of the Company (quarterly, half-yearly and annual);
2. Intended declaration of dividend (both interim and final);
3. Issue of securities or buy-back of securities;
4. Any major expansion plans or execution of new projects;
5. Amalgamation, mergers or takeovers;
6. Disposal of whole or substantial part of the undertaking;

7. Any significant changes in changes policies, plans or operations of the company including launch of new brands or new products of the Company where the contribution from such brand or product exceeds or is likely to exceed 5% of the total turnover of the Company during that financial year;
8. Disruption of operations due to nature calamities;
9. Commencement of any new commercial production / commercial operations where the contribution therefrom is likely to exceed 5% of the total turnover of the Company during the financial year;
10. Developments with respect to changes in pricing / realization on goods and services arising out of the changes in the government policies.
11. Litigation / disputes with material impact;
12. Revision of credit ratings assigned to any debt or equity instrument of the Company;
13. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

Any information approved by the Chief Executive Officer for disclosure, copy of same shall be forwarded to the Compliance Officer.

In case any information as listed above is disclosed inadvertently or without prior approval, the person responsible for disclosure shall immediately inform the Compliance Officer or the Chief Executive Officer, although the information is not considered price sensitive.

PROCEDURE FOR RESPONDING TO MARKET RUMOURS OR ANY QUERIES;

The Compliance Officer shall immediately consult the Chief Executive Officer, for verification of any rumours or queries forwarded to him.

Only the Chairman or Managing Director or Chief Executive Officer of the Company, shall reply to the queries or requests for verification of market rumours within 48 hours of receipt of such rumour or any further period as specified by the Stock Exchange.

The Compliance Officer, in consultation with the Chairman and/or Chief Executive Officer, make a public announcement for verifying or denying rumours before making the disclosure.

DEALING WITH ANALYSTS / INSTITUTIONAL INVESTORS;

The Chairman, Managing Director and /or Chief Executive Officer of the Company shall interact with Analysts, Institutional and other Large Investors. Compliance Officer and a designated employee shall be present while addressing the Analysts, Institutional or Large Investors.

No price sensitive information shall be disclosed to analysts or institutional and other large investors unless it is confirmed with the Compliance Officer that the information has been made public. All

questions raised in the analysts / investors meet, relating to the price sensitive information, shall be taken note of and considered response shall be given only after consulting the Compliance Officer.

The Chief Executive Officer or a Designated Employee shall forward the copy of minutes of meeting with the Analysts / institutional investors to the Compliance Officer in prescribed Form, within 2 working days from the conclusion of the meeting.

The Compliance Officer shall make a press release or post relevant information on the Company's website immediately after every analyst meet and such information shall also be sent to the Stock Exchange immediately, where price sensitive information is disclosed.

PENALTY FOR NON-COMPLIANCE WITH COMPANY'S INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Compliance Officer shall recommend for the disciplinary action to the Chief Executive Officer, for not complying with the code of conduct by any of the designated employees. The disciplinary action may include wage freeze, suspension, ineligibility for future participation in any schemes / plans of the Company like employees stock option etc.

The Compliance Officer shall report non-compliance with the code of conduct to SEBI.

The action by the company shall not absolve the person from prosecution by SEBI under SEBI (Prohibition of Insider Trading) Regulations, 2015.

All connected persons shall also ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time. The copy of which is enclosed for reference.

For any clarifications, further information, Shri Anand V Kumashi – GM - Fin., & Company Secretary can be contacted.