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

INTRODUCTION

1.1 The Code has been formulated pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and has been approved by the Board of Directors of Escorts Limited (the "**Company**") in its meeting held on March 22, 2019. The effective date of this Code will be April 1, 2019.

1.2 The Code is applicable to all Designated Persons (defined below) and Immediate Relatives (defined below) of Designated Persons.

1.3 The purpose of the Code is to maintain an ethical and transparent process while dealing in the Securities (defined below) of the Company by the persons specified above.

1.4 This Code is adopted in place of the existing "Code of Conduct for Prevention of Insider Trading".

2. DEFINITIONS AND INTERPRETATIONS

2.1 **Act:** Act means the Securities and Exchange Board of India Act, 1992;

2.2 **Board** or **Board of Directors:** Board or Board of Directors means the board of directors of the Company;

2.3 **Company**: Company means Escorts Limited;

2.4 **Compliance Officer:** Compliance Officer means the Company Secretary of the Company or any other senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of Trades and the implementation of this Code as required under the SEBI Regulations under the overall supervision of the Board of Directors;

Explanation – "financially literate" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

2.5 **Code**: Code means this Code of Conduct to regulate, monitor and report Trading by Insiders and shall include modifications made thereto from time to time;

2.6 **Connected Person:** Connected Person means

(i) 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 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.

(ii) without prejudice to the generality of the foregoing, 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 specified in clause (i); or

(b) a holding company or associate company or subsidiary company; or

(c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or

(d) an investment company, trustee company, asset management company or an employee or director thereof; or

(e) an official of a stock exchange or of clearing house or corporation; or

(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; or

(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; or

(h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

(i) a banker of the company; or

(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;

2.7 **Designated Person**: Designated Person shall mean the following:

(i) Directors;
(ii) Promoters and Promoter Group;
(iii) Key Managerial Personnel;
(iv) Functional heads;
(v) Executive secretaries / assistants of Directors and Key Managerial Personnel;
(vi) Employees in the grade of Chief General Manager and above;

(vii) Auditors;

(viii) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to Unpublished Price Sensitive Information in the organization by their board of directors;

(ix) Employees upto two levels below chief executive officer of the Company and its material subsidiaries, irrespective of their functional role in the Company or ability to have access to Unpublished Price Sensitive Information;

(x) Any support staff of the Company such as IT staff or secretarial staff, legal staff, finance staff, strategy staff who have access to Unpublished Price Sensitive Information;

(xi) Employees of the Company, on a case-to-case basis, who could be reasonably expected to have access to Unpublished Price Sensitive Information relating to the Company, to be decided by the Chairman/Managing Director/Whole-Time Director/ Compliance Officer/Chief Financial Officer, on a case-to-case basis;

(xii) Such other persons including persons in contractual, fiduciary or advisory capacity with the Company, who may be designated as such from time to time, by the Chairman/Managing Director/Whole-Time Director/ Chief Financial Officer, in consultation with the Compliance Officer, for the purpose of this Code; and

(xiii) Immediate Relatives of the persons specified in (i) to (xii) above.

2.8 **Director**: Director means a member of the Board;

2.9 **Employee**: Employee means every employee of the Company including the Directors in the employment of the Company;

2.10 **Generally Available Information:** Generally Available Information means information that is accessible to the public on a non-discriminatory basis;

2.11 **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;

2.12 **Insider:** Insider means any person who is:

(i) a Connected Person; or

(ii) in possession of or having access to Unpublished Price Sensitive Information;

2.13 **Key Managerial Personnel**: Key Managerial Personnel means Chairman and Managing Director, Whole-time Director, Group Chief Operating Officer, Chief Executive, Company Secretary, Chief Financial Officer and such other person who may be designated as Key Managerial Person under applicable law from time to time;

2.14 **Promoter**: Promoter shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

2.15 **Promoter Group**: Promoter Group shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

2.16 **SEBI**: SEBI means Securities and Exchange Board of India;

2.17 **SEBI Regulations**: SEBI Regulations means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

2.18 **Securities**: Securities shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund;

2.19 **Takeover Regulations**: Takeover Regulations means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

2.20 **Trading**: Trading means and includes subscribing, buying, selling, pledging dealing, or agreeing to subscribe, buy, sell, pledge, deal in any securities, and "Trade", "Traded" shall be construed accordingly;

2.21 **Trading Day**: Trading Day means a day on which the recognized stock exchanges are open for trading;

2.22 **Trading Window**: Trading Window means a trading period for trading in the Securities of the Company as specified by the Company from time to time; and

2.23 **Unpublished Price Sensitive Information or UPSI**: Unpublished Price Sensitive Information 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 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, delisting, 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 the Act, Regulations, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in such legislations.

3. COMPLIANCE OFFICER

3.1 Subject to the supervision of the Board of Directors, the Compliance Officer, shall be responsible for:

(i) Setting forth policies, procedures, monitoring adherence to the Code and SEBI Regulations for the preservation of Unpublished Price Sensitive Information, approval and review of trading plans, pre-clearance of Trades and monitoring of Trades and implementation of this Code.

(ii) Assisting all Insiders, Designated Persons and Employees in addressing any clarifications regarding the SEBI Regulations and this Code.

(iii) Obtaining disclosures from Insiders and Designated Persons and to give information, in respect of the disclosures received, to all the stock exchanges where the Securities are listed, as applicable.

(iv) Maintaining and preserving all disclosures/undertakings and applications made under this Code.

(v) Regulating and monitoring the Trading Window of the Securities of the Company.

(vi) Advising all Designated Persons not to trade in Securities of the Company when the Trading Window is closed.

(vii) Investigating any Employee in relation to the Trading of Securities and handling of Unpublished Price Sensitive Information of the Company.

(viii) Informing SEBI in case it is observed that there has been a violation of this Code.

3.2 The Compliance Officer shall report to the Board of Directors and shall provide reports to the chairman of the Audit Committee at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.

4. RESTRICTIONS ON COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

4.1 No Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to the Company or Securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.2 No person shall procure from or cause the communication by any Insider of Unpublished Price Sensitive Information, relating to the Company or Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Explanation – The term "legitimate purpose" shall include but not be limited to sharing of Unpublished Price Sensitive Information in the ordinary course of business by an

insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of this policy or the SEBI Regulations.

Any person in receipt of Unpublished Price Sensitive Information pursuant to a "legitimate purpose" shall be considered an "Insider" for purposes of this policy and due notice shall be given to such persons to maintain confidentiality of such Unpublished price sensitive information in compliance with this policy.

4.3 Notwithstanding anything contained in this Code, any Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–

(i) entail an obligation to make an open offer under the Takeover Regulations where the Board of Directors are of the informed opinion that sharing of such information is in the best interests of the Company;

(ii) not attract the obligation to make an open offer under the Takeover Regulations but where the Board of Directors are of the informed opinion that sharing of such information is in the best interests of the Company and the information that constitutes Unpublished Price Sensitive Information is disseminated to be made Generally Available Information at least 2 (two) Trading Days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

4.4 For purposes of sub-clause 4.3 above, the Board of Directors 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 purpose of sub-clause 4.3, and shall not otherwise Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

4.5 The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under the SEBI Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

5. RESTRICTION ON TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

5.1 Save as provided in this Code and the SEBI Regulations, no Insider shall Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

Explanation –When a person who has Traded in Securities has been in possession of Unpublished Price Sensitive Information, his Trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided that the Insider may prove his innocence by demonstrating the circumstances including the following: –

(i) That the transaction is an off-market *inter-se* transfer between Insiders who were in possession of the same Unpublished Price Sensitive Information without being in breach of clause 4 and both parties had made a conscious and informed Trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained under Clause 4.3 of this Policy.

Provided further that such off-market Trades shall be reported by the Insiders to the Company within 2 (two) working days. The Company shall notify the particulars of such Trades to the stock exchange on which the Securities are listed within 2 (two) trading days from receipt of the disclosure or from becoming aware of such information.

(ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the Unpublished Price Sensitive Information without being in breach of Clause 4 above and both parties had made a conscious and informed Trade decision;
Provided that such Unpublished Price Sensitive Information was not obtained by either person under Clause 4.3 of this Policy.

(iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

(iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

(v) in the case of non-individual Insiders:

(a) that the individuals who were in possession of such Unpublished Price Sensitive Information were different from the individuals taking Trading decisions and such decision-making individuals were not in possession of such Unpublished Price Sensitive Information when they took the decision to Trade; and

(b) that appropriate and adequate arrangements were in place to ensure that the SEBI Regulations are not violated and no Unpublished Price Sensitive Information was communicated by the individuals possessing the information to the individuals taking Trading decisions and there is no evidence of such arrangements having been breached;

(vi) the Trades were pursuant to a trading plan as set out in this Code.

5.2 Insiders shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall, while in possession of any Unpublished Price Sensitive Information, neither Trade in the Securities of the Company on the basis of Unpublished Price Sensitive Information nor pass on such information to any person

directly or indirectly by way of making a recommendation for Trading in Securities of the Company.

5.3 In the case of Connected Persons the onus of establishing, that they were not in possession of Unpublished Price Sensitive Information, shall be on such Connected Persons.

6 PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

A. TRADING PLAN

6.1 An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out on his behalf in accordance with such plan. The intimation on formulation of the trading plan may be given to the Compliance Officer in the format specified in **Annexure A** hereto. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

6.2 Such trading plan shall:

6.2.1 not entail commencement of Trading on behalf of the Insider earlier than six months from the public disclosure of the trading plan;

6.2.2 not entail Trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second Trading Day after the disclosure of such financial results;

6.2.3 not entail Trading for a period of less than 12 months;

6.2.4 not entail overlap of any period for which another trading plan is already in existence;

6.2.5 either set out the value of trades to be effected or the number of Securities to be traded along with the nature of the trade and the intervals at, or dates on which such Trades shall be effected;

6.2.6 not entail Trading in securities for market abuse; and

6.2.7 mandatorily implement the plan without being entitled to either deviate from it or execute any Trade outside the scope of the trading plan. Thus, the trading plan, once published, shall be irrevocable. Provided that the Insider shall not commence Trading under trading plan, if any UPSI in his possession at the time of formulation of the plan has not become Generally Available Information at the time of commencement of the implementation of trading plan. In such cases, the Compliance Officer will confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information.

6.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the SEBI Regulation and/or this Code and shall be

entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that pre-clearance of Trades shall not be required for a Trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for Trades carried out in accordance with an approved trading plan.

B. TRADING WINDOW

6.4 All Designated Persons shall execute Trades in the Securities of the Company only in a valid trading period called Trading Window prescribed hereunder and shall not execute any Trade or deal in any transaction involving the purchase or sale of the Company's Securities in their own name or in the name of their Immediate Relatives during the period when the Trading Window is closed or any other period as may be specified by the Company from time to time.

6.5 The Trading Window for Trading in Securities of the Company shall be closed for the following purposes:

(i) Declaration of financial results (quarterly and annual), standalone and consolidated, of the Company;

(ii) Intended declaration of dividends (both interim and final);

(iii) Issue of Securities by way of public, bonus, rights issue etc. or buy-back of Securities and changes in capital structure;

(iv) Change in Key Managerial Personnel;

(v) Mergers, demergers, amalgamations, acquisitions, delisting, disposals, expansion of business and such other transactions; and

(vi) Material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.6 In addition to the items specified above, the Trading Window shall also 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.

6.7 In case of declaration of financial results, the Trading Window shall be closed during the period beginning from the last day of any financial period for which results are required to be announced and ending 48 (forty eight) hours after the public release of such results. In all other circumstances, the time for commencement of closing of Trading Window shall be as determined by the Compliance Officer in consultation with the Board of Directors. The gap between clearance of accounts by the Audit Committee and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

6.8 The Compliance Officer after taking into account various factors including the Unpublished Price Sensitive Information in question becoming Generally Available Information and being capable of assimilation by the market, shall decide the timing for re-opening of the Trading Window, which however shall not in any event be earlier than 48 hours after the information becoming Generally Available Information.

6.9 Trading Window may be closed by the Company during such time in addition to the above period, as may be deemed fit by the Compliance Officer.

6.10 The notice of closure of the Trading Window intimated to the stock exchanges, if any, wherever the Securities of the Company are listed.

C. PRE-CLEARANCE OF TRADES

6.11 During a valid Trading Window, Trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed Trade is above the threshold limit specified in sub-clause 6.14 below.

6.12 Designated Persons intending to deal in the Securities of the Company upto the threshold limit specified in sub-clause 6.14 below, may do so without any pre-clearance from the Compliance Officer. In all other cases, they should pre-clear the transactions as per the pre- dealing procedure as provided hereinafter.

6.13 **Procedure for Pre-Clearance of Trades**

(i) An application for pre-clearance of Trade shall be made to the Compliance Officer in the format attached as **Annexure B** hereto, indicating the estimated number of Securities that the Designated Person making such application intends to deal in, the details as to the depository with which he/she has a security account and such other details as may be required by the Compliance Officer in this regard.

(ii) In case of the Compliance Officer intending to deal in the Securities of the Company beyond the threshold limit specified in sub-clause 6.14 below, the pre-clearance of the Managing Director or in his absence, the Chairman of the Board, will have to be obtained.

(iii) An undertaking in the format set out in **Annexure C** of this Code, shall be executed in favour of the Company by such persons applying for pre-clearance.

(iv) The Compliance Officer shall on receiving an application, provide the Designated Persons with an acknowledgement on the duplicate of the application or in any electronic form.

(v) The Compliance Officer shall grant approval, in the format set out in **Annexure D,** within 2 days from the date of acknowledgement.

(vi) The Compliance Officer shall retain copies of all applications and acknowledgements either in physical or electronic mode.

(vii) In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed deal is on the basis of possession of

any Unpublished Price Sensitive Information. There shall be no obligation to give reasons for any withholding of consent.

6.14 **Threshold Limit for Pre-clearance**

The pre-clearance shall not be necessary, if the value of the Securities Traded, whether in one transaction or a series of transactions over a calendar quarter, aggregates to a traded value not in excess of Rs. 10,00,000.

6.15 **Validity of Pre-Clearance Period**

Designated Persons shall complete execution of their pre-cleared Trades in respect of Securities of the Company no later than 7 Trading Days after the approval of pre-clearance is given failing which fresh pre-clearance would be required for the Trades to be executed.

6.16 **Reporting**

Designated Persons executing pre-cleared Trades shall file within 2 working days of the execution of the Trade, the details of such Trade, with the Compliance Officer in the format set out in **Annexure E** of this Code. In the event such Trade is not executed, a report to that effect shall be filed with the Compliance Officer also in the format set out in **Annexure E** of this Code.

6.17 **Holding Period Of Securities**

(i) All Designated Persons who are permitted to Trade shall not enter into a contra Trade during the next 6 months following the prior Trade.

(ii) In case the contra trade is necessitated by emergency, the Compliance Officer may waive the holding period after recording in writing reasons in this regard provided such waiver does not amount to violation of the SEBI Regulations or this Code. Similarly in the case of emergency of Trade by a Compliance Officer, the Compliance Officer may obtain the waiver from the Managing Director or in his absence, the Chairman of the Board, provided that such waiver does not violate this Code or the SEBI Regulations. The application for waiver shall be made in the format prescribed in **Annexure F** hereto.

(iii) In case a contra Trade is executed, inadvertently or otherwise, in violation of such a restriction, 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 Act.

Provided that (i), (ii) and (iii) above shall not be applicable for Trades pursuant to exercise of stock options.

7 PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

7.1 Access to Unpublished Price Sensitive information shall be on a "need-to-know" basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, in the course of performance of duties or in discharge of legal obligations.

7.2 Files containing Unpublished Price Sensitive Information shall be kept secure. Computer files shall have adequate security of login and passwords, etc. Guidelines for maintenance of electronic records and systems may be prescribed by the Compliance Officer from time to time in consultation with the person in-charge of the information technology function of the Company

7.3 To prevent the misuse of UPSI, the Company adopts the "Chinese Wall" policy which separates those areas of the Company 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".

7.4 As per the said policy:-

(i) The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.

(ii) The Employees in inside area may be physically separated from the Employees in public area.

(iii) Demarcation of the various departments as inside areas may be implemented by the Compliance Officer in consultation with the Board of Directors;

(iv) The Employees within the inside area of the Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately;

(v) The establishment of Chinese Wall is not intended to suggest that within inside areas material, Unpublished Price Sensitive Information can be circulate freely. Within inside areas, the need-to-know shall be in effect; and

(vi) Only in exceptional circumstances, Employees from the public areas may be permitted to 'cross the wall" are brought 'over the wall' and provided UPSI on "need to know" basis under intimation to the Compliance Officer. In such cases, the Compliance Officer shall ensure that all necessary restrictions are imposed on such Employee(s) in relation to protection of such Unpublished Price Sensitive Information.

8 DISCLOSURES

8.1 **General provisions:**

(i) All public disclosures required to be made pursuant to the SEBI Regulations and this Code shall be made in the formats specified in the SEBI Regulations and this Code.

(ii) The disclosures to be made by any person under this Code shall include those relating to Trading by such person's Immediate Relatives, and by any other person for whom such person takes Trading decisions.

(iii) 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 disclosure. Provided that Trading in derivatives of Securities is permitted by any law for the time being in force.

8.2 **Disclosures by certain persons:**

(i) Initial Disclosures

(a) The Promoters, member of the Promoter Group, Key Managerial Personnel and the Directors of the Company should have disclosed their holding of Securities of the Company as on the date of the SEBI Regulations taking effect, to the Company within 30 (thirty) days in the format specified in **Annexure G** hereto;

(b) Every person on appointment as a Director or Key Managerial Personnel of the Company or upon becoming a Promoter or member of Promoter Group shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 (seven) days of such appointment or becoming a Promoter, in the format specified in **Annexure H** hereto.

(ii) Continual Disclosures

(a) All Promoters, member of Promoter Group, Directors, and Designated Persons of the Company shall disclose to the Company the number of Securities acquired or disposed off within 2 (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 Rs. 10,00,000 or such other value as may be prescribed, in the format specified in **Annexure I** hereto.

(b) The Company shall notify the particulars of such Trading to the stock exchange on which the Securities of the Company are listed within 2 (two) Trading Days from the receipt of such disclosure or becoming aware of such information.

It is hereby clarified that the disclosure of the incremental transactions after any continual disclosure made under this sub-clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in this sub-clause above.

(iii) Disclosure by other Connected Persons

(a) The Compliance Officer or the Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of his/its/their holdings and Trading in Securities of the Company in the format specified in **Annexure J** hereto, at such frequency as may be determined by the Compliance Officer in order to monitor compliance with the SEBI Regulations.

(iv) Annual Disclosures

Designated Persons shall furnish to the Compliance Officer the following:

(a) Annual statement of all their holdings in Securities of the Company to be submitted within 30 days of the close of each financial year in the format specified in **Annexure K** hereto**.**

9 PRESERVATION OF DISCLOSURES

All undertakings, disclosures and applications made/submitted under these regulations shall be maintained by the Compliance Officer, for a minimum period of 5 years.

10 INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

10.1 The Chief Executive Officer or the Managing Director or such analogous person as determined by the Board shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these Code and SEBI Regulations to prevent insider trading.

10.2 The internal controls shall include the following:

(a) all Employees who have access to Unpublished Price Sensitive Information are identified as designated Employee;

(b) all the Unpublished Price Sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of the SEBI Regulations;

(c) adequate restrictions shall be placed on communication or procurement of Unpublished Price Sensitive Information as required by the SEBI Regulations;

(d) lists of all Employees and other persons with whom Unpublished Price Sensitive Information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such Employees and persons;

(e) all other relevant requirements specified under the SEBI Regulations shall be complied with; and

(f) periodic process review to evaluate effectiveness of such internal controls.

10.3 The Board of Directors shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with this Code.

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

10.5 The Company shall formulate written policies and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, which shall be approved by Board of Directors of the Company and accordingly initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

10.6 The Company shall have a whistle-blower policy and make Employees aware of such policy to enable Employees to report instances of leak of Unpublished Price Sensitive Information.

10.7 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 and fiduciaries shall co-operate with the Company in connection with such inquiry conducted by the Company.

11 COMPLIANCE WITH CODE OF CONDUCT

11.1 The Compliance Officer shall report a compliance status on this Code on half yearly basis to the Chairman of the Audit Committee and Board of Directors.

11.2 The Company is empowered to take appropriate action against any person who violates this Code. Such action may include wage freeze, suspension, ineligibility for future participation in employee stock option plan, recovery, clawback, etc.

11.3 When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The onus is on the Insiders to prove that they are innocent.

11.4 Disclosure by Designated Persons

(a) <u>One Time Disclosure</u>

The Designated Person shall disclose the following information, one time basis, to the Company within [15 (fifteen)] days from the date on which this Code becomes effective:

(i) his/her Phone, mobile and cell numbers;

(ii) his/her Permanent Account Number or any other identifier authorized by law; and

(iii) the names of educational institutions from which Designated Persons have graduated and names of their past employers.

(b) <u>Annual Disclosure and Continual Disclosure</u>

The Designated Person shall disclose to the Company within [30 (thirty)] days from the end of the financial year and on continual disclosure basis, as and when the information changes, within [7 (seven)] days of such change:

(i) name of Immediate Relatives;

(ii) persons with whom such Designated Person(s) shares a material financial relationship;

(iii) Permanent Account Number or any other identifier authorized by law of (i) & (ii)

(iv) phone, mobile and cell numbers of (i) and (ii).

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 during the immediately preceding 12 (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.

11.5 The Managing Director or Chief Executive Officer of the Company, in consultation with the Compliance Officer, shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s). A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

(i) in the ordinary course of business.

(ii) in furtherance of performance of duty(ies);

(iii) for discharge of legal obligation(s).

(iv) for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company; and

(v) for any other purpose as may be prescribed under the SEBI Regulations or any other law for the time being in force, in this regard, as may be amended from time to time.

11.6 Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of Unpublished Price Sensitive Information shall be considered an "Insider" for purposes of this Code and due notice shall be given to such persons, in the format as set out in by the Compliance Officer from time to time in consultation with the Managing Director and/or Chief Executive Officer of the Company:

(i) To make aware such person that the information shared is or would be confidential;

(ii) To instruct such person to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with SEBI Regulations; and

(iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

11.7 The Board of Directors shall formulate, approve and implement a policy for determination of "legitimate purposes for sharing UPSI as a part of "Code of Fair Disclosure and Conduct" which shall be in sync with SEBI Regulation.

11.8 Any violation under the Regulations and this Code will be reported by the Compliance Officer to SEBI.

12 AMENDMENTS AND MODIFICATIONS

The decision of the Board of Directors with regard to any or all matters relating to this Code shall be final and binding on all concerned. This Code shall be reviewed from time to time and the Board of Directors shall have the power to modify, amend or replace this Code in part or full, as may be thought fit from time to time in their absolute discretion.

13 PENALTY FOR CONTRAVENTION

13.1 Any Designated Person or Insider who trades in Securities or communicates, provides or allows access to any information for Trading in Securities in contravention of the Code, shall be penalized and appropriate action taken shall be taken against him/her by the Company basis his/ her seniority, number and nature of contraventions.

The penalty imposed/action by the Company may include but shall not be restricted to:

1. Reprimanding of defaulting Designated Person/Insider;
2. Ban from engaging in any trade of the securities of the Company (including exercise of stock options);
3. Suspension from employment;
4. Ban from participating in all future employee stock option schemes including lapse of all existing options;
5. No increment and/or bonus payment; and/or
6. Termination from employment;
7. Disgorgement of the gain accrued through the transactions in violation of the Code.

13.2 In addition to the action which may be taken by the Company, the persons violating the Regulations and/ or this Code shall also be subject to actions, under Section 15G of the Act pursuant to which they may be liable to penalty which shall not be less that Rs. 10 lakhs and which may extend to Rs. 25 crores or 3 times the amount of the profits made out of insider trading, whichever is higher; under Section 24 of the Act pursuant to which they may be liable to imprisonment for a term which may extend to 10 years and/or fine which may extend to Rs. 25 Crores; and other applicable laws.

13.3 If it is observed by the Board that there has been violation of SEBI Regulations, it shall inform SEBI promptly.

ANNEXURE A

APPLICATION FOR ANNUAL TRADING PLAN

Date: _____

To,
The Compliance Officer,
Escorts Limited,
15/5, Mathura Road,
Faridabad- 121003

1. Name of the Applicant: _____
   PAN_____
2. No. of securities held in the Company as on date: _____
3. Approval sought for: Self [ ] Immediate Relative (IR) [ ]
4. Trading plan belongs for a period of_____ months i.e. for a period commencing from_____ and ending on_____
5. Details of the proposed trade:

S. No.	Nature of transaction (Sale/Purchase)	Date of transaction/period/interval for transaction	Value of trade/ No. of securities transacted	Conditions /Remarks

Undertaking:

(a) I will not commence trading earlier than six months from the public disclosure of the plan.
(b) I do not have overlapping trading plan for the same period.
(c) In the event that I am in possession/knowledge of any information that is construed as "Unpublished Price Sensitive Information" as defined in the Policy, at the time of formulation and approval of this plan but which is not made public at the time of trading as per the approved time schedule in the said plan, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in
(d) the securities of the Company until such information becomes public;
(e) I have not contravened the provisions of the Insider Trading Policy as notified by the Company from time to time;
(f) I have made full and true disclosure in the matter.
(g) I undertake to abide by this trading plan once approved and shall furnish such declarations disclosures as may be deemed necessary by compliance officer for the monitoring of this plan.
(h) I shall not use this trading plan as a tool for market abuse.

Date: **Signature of Designated Employee**

For use of Compliance Officer:

Application recd. date	Approval Date	Approval No.	Approval No. Compliance Officer's signature

Approval granted for Trading Plan for a period of ____months commencing from____ uptil _____

Notification to Stock Exchange_____

Signature: _____

Compliance Officer

Please provide all the information. Incomplete forms will not be accepted.

ANNEXURE B

FORMAT OF APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL

To,
The Compliance Officer,
Escorts Limited,
15/5, Mathura Road,
Faridabad- 121003

Dear Sir,

I/We, ……. Designated Person(s) of Escorts Limited intend to carry out transaction(s) in Securities of Escorts Limited as per the details given below :-

Name:

Department:

PERMANENT ACCOUNT NUMBER (PAN):

S. No.	No. of Securities held (including by dependent family members) as on the date of application	Folio No./ DP ID & Client ID	Nature of trading	Estimated number of securities to be dealt	Estimated value
1	2	3	4	5	5

In this connection I solemnly confirm and declare:

(a) THAT I do not have access to nor do I have any information that could be construed as Unpublished Price Sensitive Information as defined in the Code unto the time of signing this undertaking;
(b) THAT in case I have access to receive Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of any change in such position and that I shall completely refrain from dealing in the Securities of the Company till the time such information becomes public;
(c) THAT I have not contravened the "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" for prevention of insider trading as notified by the Company from time to time;
(d) THAT I shall hold the Securities for a minimum period of 6 (six) months from the date of trade/that I have complied with the requirement of minimum holding period of six (6) months with respect to the securities sold (applicable only in respect of sale transaction).

I hereby solemnly declare that I have made full and true disclosure in this regard to the best of my knowledge and belief.

Pre-clearance may kindly be accorded in terms of the requirement of the 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders', of the Company.

Yours faithfully,

Signature:

(Name of the Designated Person)

Date:

Place:

ANNEXURE C
UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

Date: _____

To,
The Compliance Officer
Escorts Limited
15/5, Mathura Road
Faridabad - 121003

Dear Sir/Madam,

I, _____,(Designation) residing at _____, am desirous of dealing in _____shares of the Company as mentioned in my application dated for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the Securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 4 (four) days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 (seven) days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Signature: _____

ANNEXURE D

PRE-CLEARANCE ORDER

PCO No. _____ Date: ____

To,
_____ (Applicant)

This is to inform you that your request for dealing in shares of the Company as mentioned in your application dated is approved. Please note that the said transaction must be completed on or before [date].

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the Securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed forms as per the Company's Code of Conduct for Insider Trading. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Signature: _____

Compliance Officer

ANNEXURE E

FORMAT FOR DISCLOSURE OF TRANSACTIONS EXECUTED/NOT EXECUTED AFTER OBTAINING PRE-CLEARANCE

Date _____

To,
The Compliance Officer,
Escorts Limited,
15/5, Mathura Road, Faridabad- 121003

With reference to trading approval granted by the Company to me on_____, I hereby inform that I have bought/sold/subscribed for _____ equity shares of the Company for Rs._____ on_____.

In connection with the aforesaid transaction, please find enclosed copy of the following for your records:

Broker's contract note/Proof of payment to/from brokers/ Extract of bank passbook/statements (in case of demat transaction)/ Copy of Delivery instruction slips (applicable in case of sale transactions)

I hereby undertake to preserve the original copy of the above mentioned document for a period of 5 years and produce to the Compliance Officer/Securities Exchange Board of India, if required in future.

Yours truly,

Name & Signature:

Designation:

Date:

Place:

ANNEXURE F

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

Date_____

To,
The Compliance Officer,
Escorts Limited,
15/5, Mathura Road,
Faridabad- 121003

Dear Sir,

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and Escorts Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders, I _____ (name and designation of the Designated Person) had _____ (provide the details of purchase/sale/subscribe for shares as the case may be) _____(number of securities) of the Company on _____ after obtaining pre-clearance on _____. The details of transaction executed were submitted on _____ (date) in format prescribed. I seek your approval to waive off the time restrictions and permit to execute a contra-trade for _____(number of securities) of the Company due to_____

_____(valid reason(s) for executing contra trade).

I declare that I am not in possession of any Unpublished Price Sensitive Information (as defined under the Escorts Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders) up to the date of this application.

I further declare that in case I have access to any Unpublished Price Sensitive Information after the signing of this application and before executing a contra- trade (if permitted), I shall:

1. Promptly inform the Compliance Officer

2. Refrain from trading in securities of the Company.

Yours truly,

Name & Signature:
Designation:
Date:
Place:
Enclosed:
1. Copy of pre-clearance approval
2. Copy of execution of previous trade

ANNEXURE G

FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]

Name of the company: _____

ISIN of the company: _____

Details of Securities held by Promoter, members of the Promoter Group**, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ members of the Promoter Group /KMP /Directors/immediate relative to/others etc.)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For e.g., – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held by Promoter, members of the Promoter Group, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held as on the date of regulation coming into force			**Open Interest of the Option Contracts held as on the date of regulation coming into force**		
Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place

ANNEXURE H

FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a director/KMP/Promoter]

Name of the company:_____

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or members of Promoter Group of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc.)	Date of appointment of Director /KMP or Date of becoming Promoter or member of Promoter Group	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding
			Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter **or member of Promoter Group of a listed company and other such persons as mentioned in Regulation 6(2).**

Open Interest of the Future contracts held at the time of becoming Promoter or	**Open Interest of the Option Contracts held at the time of becoming**

members of Promoter Group /appointment of Director/KMP			**Promoter or members of Promoter Group /appointment of Director/KMP**		
Contract specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name &

Signature:

Designation:

Date:

Place:

ANNEXURE I

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2)

read with Regulation 6(2) – Continual disclosure]

Name of the company:

ISIN of the company:

Details of change in holding of Securities of Promoter, member of Promoter Group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoters/ KMP /Directors/immediate relative to/others etc.)	Securities held prior to acquisition/disposal	Securities acquired/Disposed	Securities held post acquisition/ disposal	Date of allotment advice/ acquisition of shares/ sale of shares specify	Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/Inter-se transfer, ESOPs etc.)

		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For e.g.– Shares, Warrants, Convertible Debentures etc.	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives of the company by Promoter, member of Promoter Group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc.)						**Exchange on which the trade was executed**
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

ANNEXURE J

FORM D (Indicative format)

SEBI (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by Other connected persons as identified by the company

Details of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal	Securities acquired/Disposed	Securities held post acquisition/ disposal	Date of allotment advice/ acquisition of shares/ sale of shares specify	Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/Inter-se transfer, ESOPs etc.)

		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For e.g.– Shares, Warrants, Convertible Debentures etc.	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives by other connected persons as identified by the company

Trading in derivatives (Specify type of contract, Futures or Options etc.)						**Exchange on which the trade was executed**
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

ANNEXURE K

ANNUAL DISCLOSURE

Transactions by Designated Persons as identified by the Company

Details of transactions executed during the Financial Year _____ in securities of the Company

To,
The Compliance Officer,
Escorts Limited,
15/5, Mathura Road,
Faridabad- 121003

I _____ (name of the Designated Person), _____ (designation) of the Company residing at

_____
(address of the Designated Person) hereby declare that -

The following is the consolidated statement of transactions made during the Financial Year _____.

Opening balance of securities of the Company held as on 01.04.20__	Purchase/Sale made during the year	Closing balance of securities of the Company held as on 31.03.20__

*I was holding …… (number of securities) securities of the Company on 01 April 20…….(start of the financial year). However, I have not traded in securities of the Company during the Financial Year ended 31 March 20…… (end of the financial year).

Name & Signature

Designation:

Date:

Place:

**** Please delete/modify as per the factual position***