



WALCHANDNAGAR INDUSTRIES LIMITED

**CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING,
MONITORING AND REPORTING OF TRADING BY INSIDERS/DESIGNATED
PERSONS AND IMMEDIATE RELATIVE OF DESIGNATED PERSONS.**

(Effective from July 23, 2020)



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1. Definitions

- 1.1 **“Act”** means the Securities and Exchange Board of India Act, 1992.
- 1.2 **“Board”** means the Securities and Exchange Board of India.
- 1.3 **“Code”** or **“Code of Conduct”** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders / designated persons and immediate relatives of designated persons of Walchandnagar Industries Limited as amended from time to time.
- 1.4 **“Company”** means Walchandnagar Industries Limited.
- 1.5 **“Compliance Officer”** means Company Secretary or such 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 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 Company.
- 1.6 **“Connected Person”** means:
- (i) 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
 - (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



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- 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- 1.7 **“Trading in Securities “** means an act of subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- 1.8 **Designated Person(s)** shall include :
- (i) every employee in the grade of Assistant General Managers and above;
 - (ii) every employee in the finance, accounts, secretarial, legal department and every support staff, intermediary or fiduciary such as IT staff who has access to Unpublished Price sensitive information as may be determined by the Compliance Officer;
 - (iii) All promoters of companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
 - (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary;
 - (v) any other employee as may be determined and informed by the Compliance Officer from time to time.
- 1.9 **“Director”** means a member of the Board of Directors of the Company.
- 1.10 **“Employee”** means every employee of the Company including the Directors in the employment of the Company.
- 1.11 **"Generally available Information"** means information that is accessible to the public on a non- discriminatory basis.
- 1.12 **"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
- 1.13 **“Insider”** means any person who is,
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- 1.14 **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013
- 1.15 **"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.



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- 1.16 **"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.
- 1.17 **"Proposed to be listed"** shall include securities of an unlisted company:
- (i) if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or
 - (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013.
- 1.18 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 1.19 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.20 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- 1.21 **"Unpublished Price Sensitive Information"** means: 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.
- 1.22 **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended and any amendments thereto.
- 1.23 **"Specified Persons"** means the Directors, connected persons, the insiders, the Designated Persons and their immediate relatives and the promoters and their immediate relatives are collectively referred to as Specified Persons.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the



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Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

- 1.24 **“Investor Protection and Education Fund”** means the Investor Protection and Education Fund created by the Board under section 11 of the Act.
- 1.25 **“Informant”** means an individual(s), who voluntarily submits to the Board a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.
- 1.26 **“Reward”** means any gratuitous monetary amount for which an Informant is declared eligible as per the provisions of these regulations.
- 1.27 **“insider trading laws”** means the following provisions of securities laws,-
i. Section 15G of the Act;
ii. regulation 3 of these regulations;
iii. regulation 4 of these regulations;
iv. regulation 5 of these regulations; and
v. regulation 9 or regulation 9A of these regulations, in so far as they pertain to trading or communication of unpublished price sensitive information.

2. Role of Compliance Officer

- 2.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.
- 2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.
- 2.3 The Compliance Officer shall review the trading plan, if any, submitted to him, 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 to approve and monitor the implementation of the plan.

3. Preservation of “Unpublished Price Sensitive Information”

- 3.1 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Legitimate purpose shall include 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



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advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information 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 of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

Further, 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 this regulation 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.

The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information 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 Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

3.2 Need to Know:



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- (i) “need to know” basis means that Unpublished Price Sensitive Information should be disclosed 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 appearance of misuse of the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

3.3 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

All UPSI is to be handled on “need to know basis” and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4. Prohibition on Trading by Insiders

An Insider shall not, directly or indirectly, -

- (a) Trade in securities that are listed or proposed to be listed when in possession of UPSI;
- (b) Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided the restriction in 4 (a) above shall not apply to:

- (i) a transaction that is an off-market inter-se transfer between Insiders who were in possession of the same UPSI without being in breach of the Regulations and this Policy and both parties had made a conscious and informed trade decision,

provided that such UPSI was not obtained under sub-regulation (3) of regulation 3 of the Regulations and such off-market trades are reported by the insiders to the company within two working days;

- (ii) a transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of the Regulation 3 of this Policy and both parties had made a conscious and informed trade decision, provided that such UPSI was not obtained by either person under sub-regulation (3) of regulation 3 of the Regulations;

- (iii) a transaction carried out pursuant to a statutory or regulatory obligation to carry out



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a bona fide transaction.

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

(v) Trades pursuant to a Trading Plan set up in accordance with the Regulations and this Policy.

(vi) Such other trades/transactions as may be exempted under the Regulations from time to time.

5. Prevention of misuse of “Unpublished Price Sensitive Information”

Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the Company shall be governed by an internal code of conduct governing dealing in securities.

5.1 Trading Plan

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

5.2 Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) 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 issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either 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; and
- (vi) not entail trading in securities for market abuse.

5.3 The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

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



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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.

- 5.4** The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not commence, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

- 5.5** Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

6. Trading Window and Window Closure

- 6.1** (i) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.
- (ii) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.
- (iii) When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such period.
- (iv) All Specified Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.
- (v) 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 is closed.
- 6.2** The Compliance Officer shall intimate the closure of trading window to all the designated Persons / Insiders / Directors of the Company when he determines that a designated person or class of designated persons / Insiders/ Directors 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.



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- 6.3 The Compliance officer shall close the trading window from the end of every quarter till 48 hours after the declaration of financial results. Further, the Company endeavor that the gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- 6.4 The trading window restrictions mentioned in clause 4 shall not apply in respect of –
- (a) transactions specified in clause 4 (i) to (v) and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board;
- (b) transactions which are undertaken in accordance with respective regulations made by the Board 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 the Board from time to time.
- 6.5 In addition to the transactions mentioned in Clause 6.4 (b) trading window restrictions shall not apply in respect of Offer For Sale (OFS) and Rights Entitlements (RE) transactions carried out in accordance with the framework specified by the Board from time to time.
- 6.6 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

7 Pre-clearance of trades

- 7.1 All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is above 2,500 shares or up to Rs. 5 Lakh (market value) whichever is higher during any week should pre-clear the transaction by making an application in the format set out in **Annexure 1** to the Compliance Officer.

The compliance officer shall seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

The pre-dealing procedure shall be hereunder:

- (i) An application may be made to the Compliance officer indicating the estimated number of securities that the Specified Employee intends to trade, deal in, the details as to the depository with which he has a security account, the details as to



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the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

- (ii) An undertaking in **Annexure 2** shall be executed in favour of the Company by such Specified Person incorporating, *inter alia*, the following clauses, as may be applicable:
- (a) That the Specified Persons does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
 - (b) That in case the Specified Persons has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
 - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
 - (d) That he/she has made a full and true disclosure in the matter.
- (iii) All Specified Persons shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given in **Annexure 3**. The Specified Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in **Annexure 4**. In case the transaction is not undertaken, a report to that effect shall be filed.
- (iv) If the order is not executed within seven days after the approval is given, the Specified Persons must pre-clear the transaction again.
- (v) All Specified Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

- (vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed. Application for waiver to be made in Format as given in **Annexure 5**.



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8. Obligation by Designated Persons

8.1 Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company as and when the information changes:

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

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

9. Other Restrictions

9.1 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.

9.2 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 this Code.

9.3 The disclosures made under this Code shall be maintained for a period of five years.

10. Reporting Requirements for transactions in securities

Initial Disclosure

10.1 Every promoter/ member of the promoter group/ Key Managerial Personnel and Director of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them in the prescribed **Form A (as prescribed or amended by SEBI, from time to time)** including the statement of holdings of dependent family members.

10.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a



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promoter, to the Company in **Form B (as prescribed or amended by SEBI, from time to time)** within seven days of such appointment or becoming a promoter.

Continual Disclosure

10.3 Every promoter, member of the promoter group, Designated Person and director of the Company shall disclose to the Company in the format set out in **Form C (as prescribed or amended by SEBI, from time to time)**, 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 Rs. Ten lakhs.

The disclosure shall be made within 2 working days of:

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

10.4 Disclosures by other connected persons.

The Compliance Officer at his / her discretion may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of Walchandnagar Industries Limited as and when he deems fit in order to monitor compliance with these regulations in the format set out in **Form D (as prescribed or amended by SEBI, from time to time)**.

11. Disclosure by the Company to the Stock Exchange(s)

11.1 Within 2 days of the receipt of intimation or from becoming aware of such information, under Clause 9.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

11.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated person for a minimum period of five years.

12. Dissemination of Price Sensitive Information

12.1 No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

12.2 Disclosure / dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors

- Only public information to be provided.



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- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

13. Institutional Mechanism for Prevention of Insider trading

The Compliance Officer of the Company is responsible to ensure compliance with the requirements of the Regulations and this Policy to prevent insider trading, which includes:

- a. all employees who have access to UPSI are identified as designated persons;
- b. all the UPSI shall be identified and its confidentiality shall be maintained in a structured digital database containing the names of such persons or entities with whom UPSI is shared along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available;
- c. adequate restrictions shall be placed on communication or procurement of UPSI as required by the Regulations and this Policy;
- d. lists of all employees and other persons with whom UPSI 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 Regulations and this Policy shall be complied with;
- f. periodic process reviews to evaluate effectiveness of such internal controls; and
- g. formulate a process for how and when people are brought 'inside' on sensitive transactions and made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

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

14. Whistle Blower

- 14.1** Any employee of the Company having genuine concerns about instances of leak of UPSI by any Insider or Designated Persons, shall report such concerns to the Compliance Officer of the Company in writing as soon as possible after becoming aware of the same.



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- 14.2** Such employee shall be given ongoing support and protection from any adverse treatment as a result of his/her actions. Any victimization or detrimental action taken against the employee as a result of his/her allegation would be treated as a serious matter by the Company and appropriate action shall be ensured, provided such disclosure of concern shall be in the interest of the Company.
- 14.3** The Compliance Officer shall, if it deems fit, call for further information, details or particulars from the complainant and prepare a report to be shared with the Chairman of audit committee for further action to be taken as per the Regulations and this Policy.
- 14.4** The Company has adopted a policy to regulate and set out procedures for conducting inquiries and investigations for leak of UPSI or suspected leak of UPSI.

15. Reporting of Alleged Violation of Insider Trading Code / Laws & Claim for Informant Reward:

Any person desirous to report to SEBI for an alleged violation of insider trading laws that has occurred, is occurring or has reasonable belief that it is about to occur, may do so in accordance with the provisions of Chapter IIIA of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The eligible informant is entitled for "Informant Reward" in accordance with the provisions of Chapter IIIA of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

16. Penalty for contravention of the code of conduct

- 16.1** Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her immediate Relatives).
- 16.2** Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall be guilty of insider trading and shall be inter alia liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below:

(A) Penalty for non compliance with the Code of Conduct:

- (i) Specified Persons who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by the Company.
- (ii) Specified Persons who violate the Code of conduct shall also be subject to



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disciplinary action by the Company, which may include following -

- wage freeze
- suspension/Termination
- recovery / Clawback
- ineligibility for future participation in employee stock option plans, etc.

(iii) The action by Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of insider Trading) Regulations, 2015.

(B) With the Securities and Exchange Board of India Act, 1992.

If any Specified Person who -

(i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or

(ii) communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or

(iii) counsels, or procures for any other person to deal in any securities of anybody corporate on the basis of unpublished price sensitive information, shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

Further, in terms of clause 12 of Schedule B read with Regulation 9 of the PIT Regulations, any amount collected by the listed companies under these clauses for violation(s) of CoC shall be remitted to the Board for credit to the Investor Protection and Education Fund (IPEF) administered by the Board under the Securities and Exchange Board of India Act, 1992.

16.3 In terms of clause 13 of Schedule B read with Regulation 9 of the PIT Regulations, the listed companies shall promptly inform the Stock Exchange(s) where the concerned securities are traded, regarding violations relating to CoC under PIT Regulations in Annexure IB as annexed.

16.4 Any amount collected by the listed companies under this clause for violation(s) of CoC is required to be remitted to the Board for credit to the Investor Protection and Education Fund (IPEF) administered by the Securities and Exchange Board of India Act, 1992.

16.5 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.