

Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons

1. INTRODUCTION

The Securities and Exchange Board of India ("SEBI") had promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "PIT Regulations" or "Regulations") on January 15, 2015. Thereafter, SEBI vide notification dated December 31, 2018 notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Code of Conduct was framed and adopted by the Board of Directors of Chalet Hotels Limited at their meeting held on June 12, 2018 and was revised by the Board of Directors vide its resolution passed by circulation on March 29, 2019 and thereafter subsequently by a resolution passed at its Meetings held on February 10, 2020, August 10, 2021 and October 24, 2024.

The revised Code of Conduct shall be effective from October 24, 2024.

What is Insider Trading?

E.g.: Chalet may be expanding its chain of hotels and this information may not be disclosed to public at large. Such news of expansion could significantly improve Chalet's stock price. Hence, dealing in shares of Chalet or advising friends or family or any other person to deal in the shares of Chalet while in possession of confidential information (Unpublished Price Sensitive Information), will be a case of indulging in Insider Trading.

1.1. Purpose of the Code of Conduct

- i. To prevent trading by insiders by prohibiting dealing in securities, directly or indirectly, on the basis of Unpublished Price Sensitive Information (UPSI).
- ii. To preserve the confidentiality of UPSI in order to prevent misuse of such information.
- iii. To remain committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and PIT Regulations.

1.2. Applicability

The Code of Conduct is applicable to all Designated Persons (defined herein) and their immediate relatives. The provisions of this Code of Conduct may also be made applicable to Insiders, Connected Persons and such other persons, in accordance with the Regulations, as deemed fit by the Compliance Officer in consultation with the Managing Director & CEO or Chief Financial Officer of the Company.

Every Designated Person shall be individually responsible for complying with the provisions of the Code of Conduct (including to the extent the provisions hereof are applicable to his / her immediate relatives).

1.3. Important terms and definitions

- i. **"Applicable Law"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendments, or any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications, clarifications or circulars issued from time to time or other governmental instruction and/or mandatory standards and or guidance notes as may be applicable in the matter of trading by an Insider.
- ii. **"Act"** means the Securities and Exchange Board of India Act, 1992.
- iii. **"Board"** means the Board of Directors of the Company.

- iv. **“Chief Investor Relations Officer” or “CIRO”** means such senior officer of the Company appointed by the Board of Directors of the Company, to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. In the event of a vacancy in the position of the CIRO, the Company Secretary of the Company shall be deemed to be the Chief Investor Relations Officer for the purpose of the UPSI Code and the Code of Conduct. In case the Board designates any other officer, the name and designation of such officer shall be published on the website of the Company.
- v. **“Code of Conduct”** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons.
- vi. **“Company” / “The Company” / “Chalet”** means Chalet Hotels Limited.
- vii. **“Compliance Officer”** shall mean the Company Secretary of the Company or any senior officer, so designated 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.

Explanation: For the purpose of this regulation “financially literate” shall mean a person, who has the ability to read and understand basic financial statements like Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, etc.

viii. **“Connected Person”** means:

- a. 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.
- b. 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:
- An immediate relative of connected persons specified in clause (i); or
 - A holding company or associate company or subsidiary company; or
 - An intermediary as specified in Section 12 of the Securities and Exchange Board of India Act, 1992 or an employee or director thereof; or
 - An investment company, trustee company, asset management company or an employee or director thereof; or

Connected Person(s)

Person(s) who has / have a connection with the Company that is expected to put him in possession of UPSI.

The **qualifying test of whether or not a person would fall within the definition of a ‘connected person’** is if a 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 a 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 UPSI or is reasonably expected to allow such access.

- An official of a stock exchange or of clearing house or corporation; or
 - 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
 - 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
 - An official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - A banker of the Company; or
 - 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.
- ix. **“Confidential Information”** means information which is directly / indirectly related to the Company and / or its Subsidiaries and associates and which is not generally available or accessible to the public at large.
- x. **“Director”** means a member of the Board of Directors of the Company.
- xi. **“Designated Person(s)”** shall include the following persons, along with their immediate relatives:
- a. Directors;
 - b. Key Managerial Personnel / Chief Investor Relation Officer;
 - c. Executive assistants/personal assistant/secretary to (a) and (b) above;
 - d. Promoters the Company;
 - e. Such other employees of the Promoters who will have access to Company’s UPSI;
 - f. Permanent invitees/invitees to the Board Meeting and Committee Meetings;
 - g. Members of executive/management committee of the Company;
 - h. Departmental heads and all employees in the cadre of General Manager and above;
 - i. Members of the Executive Committee of each Hotel / Unit;
 - j. All other employees of the Company and its material subsidiaries irrespective of their cadre working in accounts, finance, treasury, taxation, secretarial, legal, internal audit department, business development, investor’s relations and corporate communication departments, and Chief Executive Officer / Managing Director’s office and Chairman’s office;
 - k. Persons employed on a contract basis and performing similar roles or having similar responsibilities as persons mentioned in (i) and (j) above;
 - l. All such employees who have access to UPSI;
 - m. And such other persons as may be notified by the Compliance Officer as per direction of the Board.
- xii. **“Director”** means a member of the Board of Directors of the Company.
- xiii. **“Fiduciaries”** shall mean Professionals such as lender(s), banks, analysts, merchant banker(s), legal advisor(s), auditor(s), audit firm(s), diligence professional(s), insolvency professional(s) or other advisor(s) / consultant(s) etc., assisting, advising or engaging with the Company from time to time.
- xiv. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis including information published on website and shall not include unverified event or information reported in print or electronic media.

Explanation: Information published on the website of the Stock Exchanges, would ordinarily be considered generally available.

- xv. **“Immediate Relative”** means 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.
- xvi. **“Insider”** means any person who is:
- a. a connected person; or
 - b. in possession of or having access to unpublished price sensitive information; or
 - c. any person who is in receipt of unpublished price sensitive information for legitimate purpose.
- xvii. **“Key Managerial Personnel”** or **“KMP”** includes - (i) the Chief Executive Officer or the Managing Director or Whole-time Director or the Manager; (ii) the Company Secretary; (iii) the Chief Financial Officer; and (iv) such other officer as may be appointed by the Board of Directors of the Company as Key Managerial Personnel.
- xviii. **“Legitimate purpose”** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partner(s), collaborator(s), lender(s), analyst(s), bank(s), consultant(s), customer(s), supplier(s), merchant banker(s), lawyer(s), legal advisor(s), auditor(s), accountancy firm(s), diligence professional(s), insolvency professional(s) or other advisor(s) or operator(s) or management service provider(s) or business service provider(s) or hospitality service provider(s), etc., assisting, advising or engaging with the Company from time to time in order to perform duty or discharge of legal obligation i.e. on need to know basis, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulation.
- xix. **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transaction.
- xx. **“Need to Know”** basis means that Unpublished Price Sensitive Information should be disclosed within the Company and to Designated Persons as well as with Fiduciaries/Intermediaries to enable business decisions, compliances, as well as discharge of duty and whose possession of such information will not give rise to any conflict of interest or appearance of misuse of information.
- xxi. **“PIT Tool”** or ‘ESS Module for Compliance’ shall mean a digital module (including a structured digital database) available on the URL ‘pit.chalet-hotels.com’ adopted by the Company for the purpose of compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- xxii. **“Regulations”** means SEBI (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time.
- xxiii. **“Securities”** includes:
- a. Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature of the Company;
 - b. Derivatives;
 - c. Rights or interest in securities.
- xxiv. **“Share”** means Equity Share of Rs.10/- (Rupees Ten) each of the Company.

- xxv. **“Stock Exchanges”** shall mean the National Stock Exchange of India Limited (NSE) and / or BSE Limited (BSE) or any other recognized stock exchange as may be notified by the Compliance Officer from time to time.
- xxvi. **“Trading”** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- xxvii. **“Trading day”** means a day on which the recognized Stock Exchanges are open for trading;
- xxviii. **“Unpublished Price Sensitive Information” or “UPSI”** 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:
- Financial Results;
 - Dividends (interim and final);
 - Changes in capital structure;
 - Mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions;
 - Changes in Key Managerial Personnel;
 - material events in accordance with the 'Policy for Determination of Materiality of Events' of the Company.

Explanation: It is intended that information relating to a company or securities, that is not generally available would be UPSI if it is likely to materially affect the share price upon coming into the public domain. The types of matter that would ordinarily give rise to UPSI have been listed above to give illustrative guidance of UPSI.

- xxix. **“UPSI Code”** shall mean the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Note: All terms used in this Code of Conduct but not defined hereinabove shall have the meanings prescribed to them under but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Companies Act, 2013 and rules and regulations made thereunder.

2. POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE:

When can I share UPSI?

The sharing of UPSI in following circumstances, will be deemed to be legitimate purpose:

- sharing of UPSI in the ordinary course of business by an insider;
- sharing of relevant UPSI with intermediaries and / or fiduciaries engaged by the Company in relation to the subject matter of the proposed deal/ assignment/engagement in relation to UPSI;
- Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, and not to transact in the company's securities on the basis of such information;
- Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations;
- Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CISO in conjunction with the Managing Director & CEO or Chief Financial Officer or Compliance Officer or Company Secretary of the Company; and

- vi. Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Till the UPSI becomes generally available information, UPSI can be shared only on a need to know basis and for legitimate purpose as provided under the Code of Conduct and not to evade or circumvent the prohibitions of the Regulations and this Code of Conduct.

3. DUTIES AND FUNCTIONS

3.1. Duties of the Compliance Officer

The Compliance officer shall:

- i. report to the Board w.r.t. insider trading on a quarterly basis.
- ii. prescribe procedures for various activities referred to in the Code of Conduct.
- iii. monitor adherence to the regulations for the preservation of UPSI.
- iv. grant pre-clearance approvals to Designated Persons for dealings in the Company's Securities by them / their Dependents and monitoring of such dealings.
- v. maintain a record of prohibited periods specified from time to time.
- vi. assist all Employees in addressing any clarifications regarding the Regulations and the UPSI Code / Code of Conduct.
- vii. determine trading window closure and re-opening periods.
- viii. seeking declarations from applicants towards possession of UPSI and its accuracy.
- ix. approve and publicly disclose the trading plan presented by the insider after which trades may be carried out by or on behalf of the insider in accordance with such plan.
- x. review the trading plan to assess whether the plan would have any potential for violation of the 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.
- xi. cause commencement of a trading plan to be deferred, in case the insider is in possession of any UPSI (which is known to the Compliance Officer or brought to his/her attention, at the time of formulation of the trading plan, and the compliance officer shall not confirm the plan unless such UPSI becomes generally available).
- xii. notify the trading plan to the stock exchanges on which the securities of the Company are listed.
- xiii. maintain records of all the declarations in the appropriate form given by the directors/officers / Designated Persons for a minimum period of five years.
- xiv. ensure compliance of policies, procedures, maintenance of records, preservation of UPSI, monitoring of trades and the implementation of the Codes as specified by the regulations under the overall supervision of the Board of Directors of the listed company.
- xv. ensure maintenance of structural database.
- xvi. inform SEBI in case of violation of regulations which comes to the knowledge of the compliance officer or any other official(s), the company
- xvii. determine any question as to whether any particular information amounts to UPSI.

3.2. Duties of the CIRO

Duties of the CIRO include:

- i. dealing with universal dissemination and disclosure of UPSI.
- ii. determination of questions as to whether any particular information amounts to UPSI.
- iii. determination of response, if any, of the Company to any market rumor in accordance with the UPSI Code and the Code of Conduct. The Chief Investor Relations Officer shall provide appropriate and fair responses to queries in relation to UPSI including any news reports. A 'No

Comment' practice must be maintained by the Company on market rumors except when requested by regulatory authorities to verify such rumors.

- iv. dealing with any query received by any Insider about any UPSI.
- v. providing advice to any Insider as to whether any particular information may be treated as UPSI.
- vi. ensure that no UPSI is shared with any investors, analysts or media other than as prescribed under the UPSI Code and the Code of Conduct.
- vii. ensure that appropriate and fair response is given to queries on news reports and requests for verification of market rumors by regulatory authorities.
- viii. develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences in accordance with applicable law.

If an Insider receives a query about any UPSI related to the Company, he/she shall not comment on the same and shall forward such query to the CRO or the Compliance Officer, who shall deal with such query in accordance with Applicable Law and the Code of Conduct in consultation with Managing Director or CEO or the Chief Financial Officer of the Company.

4. PRESERVATION OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"

All information shall be handled within the Company on a need to know basis and no UPSI shall be communicated to any person except in furtherance of the insider's Legitimate Purposes, performance of duties or discharge of his legal and other official duties and obligations.

UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

Open Offer Obligation under Takeover Code	Where the Board of Directors of the company is of the informed opinion that the proposed transaction is in the best interest of the company
No Open Offer Obligation under Takeover Code	Where the Board of Directors of the company is of the informed opinion that the proposed transaction is in the best interest of the company. + Information that constitutes UPSI is disseminated to be made generally available at least 2 (two) trading days prior to the proposed transaction being effected in such form as the board of directors may determine.

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 UPSI.

All the files / documents, whether in physical or digital form containing Confidential Information / Unpublished Price Sensitive Information shall be kept secured and computers and computer files shall have adequate security of login and password, etc.

The Compliance Officer shall at the beginning of every financial year create awareness among Designated Persons on dealing with UPSI. This shall include informing them:

- that UPSI may be shared with them during the course of the financial year;
- of the duties and responsibilities attached to the receipt of such UPSI and the liability attached to its misuse or unwarranted use;

- to maintain confidentiality of such UPSI in compliance with the UPSI Code, Code of Conduct and the Regulations.

5. DEALING IN SECURITIES BY DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES

The Code of Conduct imposes certain additional responsibilities and restrictions on Designated Persons, as follows:

Designated Persons shall disclose the names, PAN or any other identification authorized by law, of the following persons in the format annexed as Form I on an annual basis, and update any changes to the same:

- Designated Person himself / herself;
- Immediate relatives of the Designated Person;
- Persons with whom such Designated Person(s) has a material financial relationship.

Designated Persons shall also disclose:

- Phone / mobile numbers which are used by them;
- Names of educational institutions from which the Designated Persons have graduated;
- Names / Credentials of their past employers.

5.1. Special Responsibilities and Restrictions on Designated Persons:

The special responsibilities and restrictions imposed on Designated Persons are:

- Furnish Initial Disclosure about the number of securities of the Company held by him / her and his / her immediate relatives, within 7 (seven) days of implementation of this Code of Conduct or within 7 (seven) days from the date of joining the Company or becoming a Designated Person through the PIT Tool available for this purpose;
- Obtain prior clearances of the Compliance Officer before dealing in securities exceeding such threshold limit as may be notified from time to time through the PIT Tool (refer Clause on pre-clearance);
- Not to deal in securities, during certain closed periods as may be notified generally or from time to time (refer Clause on Trading Window and Window Closure);
- Preserve UPSI (refer Clause on Preservation);
- Designated Persons shall not communicate, provide or allow access to any UPSI, relating to the Company or Shares, 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 obligation on a need to know basis;
- Not to pass on any Unpublished Price Sensitive Information to any person (including but not limited to his / her family members, friends, business associates, etc.) directly or indirectly by way of making recommendation for trading in Company's securities;
- Not to communicate Unpublished Price Sensitive Information in situations in which there would be an uncertainty as regards conflict of interest or the possibility of misuse of the information;
- Not to discuss or disclose Unpublished Price Sensitive Information in public places;
- Not to disclose Unpublished Price Sensitive Information to any Employee who does not need to know the information for discharging his / her duties or responsibilities;
- Not to apply for pre-clearance and trade plan when in possession of UPSI even though the closed period is not notified till such time the UPSI becomes generally available;
- Not to execute contra trade within a period of 6 (six) months from the date of last transaction either by self or through immediate relatives. Provided that this restriction shall not be applicable for trades pursuant to exercise of stock options.

If the contra trade (opposite transactions) is executed in violation of this provision, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund (IPEF) administered by SEBI.

Such persons may however apply to the Compliance Officer for waiver of the restriction on contra trade, if there is a need to sell the said securities due to personal emergency.

Every Designated Person is required to maintain strict confidentiality of all UPSI and prohibited from passing on such information to any person directly or indirectly. Attention is specifically drawn to Regulation 3(i) of the PIT Regulations, which prohibits an insider to communicate, provide, or allow access to any UPSI relating to the Company or its securities listed or proposed to be listed. All data, documents, information, forms, records, files (physical as well as soft files) are required to be kept secure and confidential by all the Designated Persons. All information within the organization shall be handled on need to know basis.

When a person who has traded in securities has been in possession of UPSI, his/her trade would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

6. PREVENTION OF MISUSE OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”

6.1. Preservation of “Unpublished Price Sensitive Information”

An Insiders, Designated Person(s) and intermediaries / fiduciaries of the Company shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not communicate any UPSI to any person except on a ‘need to know basis’ or for a ‘Legitimate Purpose’.

6.2. Limited access to confidential information

An Insider, Designated Person(s) and intermediaries / fiduciaries of the Company shall keep the files containing confidential Unpublished Price Sensitive Information duly secured and computer files must be kept with adequate security of login and password, etc.

6.3. Receipt of UPSI for legitimate purpose

Recipient of UPSI for legitimate purpose shall be considered as insider for the purpose of the Code of Conduct. Accordingly, the person who shares UPSI shall give proper notice to the recipient of UPSI to maintain confidentiality of such UPSI in compliance with SEBI (PIT) Regulations, 2015.

6.4. Trading Plan

SEBI Regulations entitle the Insider to formulate a trading plan. If any insider / Designated Person(s) wishes to formulate a trading plan for trading in securities of the Company, he / she may do so and present it to the Compliance Officer through the PIT Tool. Trading Plan is optional, however, if any insider opts for a Trading Plan, the same needs to be as per strict provisions of Regulation 5 of the said Regulations. Trading Plan needs to be approved by the Compliance Officer and disclosed to the Stock Exchange.

The Insiders-

- i. Shall commence trading under such trading plan only after a period of 120 (One Hundred and Twenty) calendar days has elapsed from the date of public disclosure.

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- ii. Shall not form a trading plan when another trading plan is already in use.
 - iii. Shall set out the following parameters for each trade to be executed as under:
 - 1. either the value of trade to be effected or the number of securities to be traded;
 - 2. nature of the trade;
 - 3. either specific date or time period not exceeding five consecutive trading days;
 - 4. price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - a) for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
 - b) for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price
 - iv. Shall not use trading plans for trading in securities for market abuse.
 - v. Shall mandatorily implement the plan without being entitled to either execute any trade in the securities outside the scope of the Trading Plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law. Thus, the Trading Plan, once published, shall be irrevocable.

Provided further that if the insider has set a price limit for a trade under sub-clause (4) of clause (iii) of point 6.4 above, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

The Compliance Officer shall review the trading plan to assess whether the plan has the potential for violation of the 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.

The Compliance Officer shall intimate the approval / disapproval of the Trading Plan to the Designated Person through the PIT Tool.

It is clarified that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. It is further clarified that trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

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

6.5. Trading window and trading window closure

- 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 for publication of financial results from the end of each quarter and extend up to the expiry of 48 (forty-eight) hours after the declaration of the financial results.

When the trading window is closed, all the Designated Person(s) (including their immediate relatives) and all Promoters including the members of the Promoter Group shall not trade in the Company's securities during such period.

- iii. All Designated 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 above or during any other period as may be specified by the Company from time to time.
- iv. The trading window restrictions shall not apply in respect of:
- transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of Regulation 4 of the Regulations and in respect of pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the Regulations made by SEBI.
 - Transactions which are undertaken in accordance with respective Regulations made by SEBI 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.

In addition, the Trading Window shall remain closed for trading in securities of the Company in any manner whatsoever, in case of any one or more of the following events:

- intended declaration of dividends (both interim and final);
- issue of securities or buyback of securities;
- changes in the Capital Structure vis-a-vis the listed securities;
- any major expansion plans or execution of new projects;
- amalgamation, mergers, demergers, takeovers or reconstruction;
- disposal of the whole or substantial part of the undertaking;
- any significant changes in policies, plans or operations of the Company;
- significant changes in the KMP;
- such other event(s) as may be decided and notified by the Compliance Officer.

(In other words, 'Non-Transaction Period' is a period during which the trading in securities of the Company will remain closed).

Nothing shall prejudice the exercise of granted and vested employee stock options during the Non-Transaction Period. Provided that there shall be no trading of the securities allotted pursuant to the exercise of employee stock options during the period when the trading window is closed.

The time for re-opening of Trading Window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 (forty-eight) hours after the information becomes public / generally available.

The trading in Company's securities by all Designated Persons (including their immediate relatives) shall be conducted during the period when the trading window is open subject to pre-clearance by Compliance Officer under this Code, or as per approved trading plan and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when Trading Window is closed, or during any other period as may be specified by the Compliance Officer from time to time.

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

6.6. Pre-clearance of trades

Every Designated Person is required to obtain pre-clearance from the Compliance Officer by making an application in Form E along with an undertaking in Form F before he / she and / or any of his immediate relatives, deals in securities (either buy / acquire or sell / dispose), if the market value of securities involved in the deal, in aggregate, exceeds Rs.10 (ten) lakhs in any calendar quarter.

It is hereby clarified that the value of securities traded will include the aggregate of purchases as well as sale of securities.

The pre-clearance procedure shall be hereunder:

- i. The application shall be made in Form E together with an undertaking in Form F to the Company. The undertaking shall state that the Designated Person is not in possession of UPSI relating to securities at the time of signing the undertaking and also state that in case he / she receives any such UPSI after signing but before execution of the transaction applied for, he / she will refrain from executing the transaction. The Company shall give order for approval of pre-clearance in Form G.
- ii. Designated Person and / or any of his immediate relatives shall execute their order in respect of securities of the Company within 7 (seven) business days after the approval of pre-clearance is granted. The Designated Person and /or any of his immediate relatives shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in Form H (as and when applicable).
- iii. The application for pre-clearance if granted shall be valid for 7 (seven) business days starting from the date of pre-clearance. In other words, the pre-cleared transaction is required to be executed within 7 (seven) business days starting from the date of pre-clearance, failing which pre-clearance would be required to be sought afresh.

Pre-clearance of the trades to be executed by the Compliance Officer will be approved by the Managing Director of the Company.

7. REPORTING AND DISCLOSURES REQUIREMENTS

The disclosure to be made by any person under this Code of Conduct shall include those relating to trading by immediate relative(s) of such person and by any other person for whom such person takes trading decisions.

7.1 Initial Disclosures

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 and derivative positions in securities of the company as on the date of appointment or becoming a promoter, to the company in **Form B** within seven days of such appointment or becoming a promoter.

The Designated Persons mentioned above also needs to ensure that information of any change in immediate relatives is informed in **Form B** to the Company **within 7 (seven) days** of such change.

7.2 Continual Disclosures

Every Promoter, including member of the Promoter Group, Designated Person, KMP and Director of the Company shall disclose in **Form C** to the Company, the number of securities acquired or disposed of within 2 (two) trading days of such transaction, if the **aggregate value** of securities traded, whether in one transaction or series of transactions in any **calendar quarter, exceeds an aggregate amount of Rs.10,00,000 (Rupees Ten Lakhs).**

It is hereby clarified that the value of securities traded will include the aggregate of purchases as well as sale of securities.

The Company shall notify the particulars of such trading to the Stock Exchanges on which the securities are listed within 2 (two) trading days of receipt of the disclosure or from becoming aware of such information.

If so demanded by the Compliance Officer, above referred Persons shall furnish copies of account statements of shares / securities or such other document as may reasonably be required by the Compliance Officer, in order to enable him to verify the accuracy of the information furnished and monitor adherence with this Code of Conduct by Designated Persons. Such statement or other document is required to be submitted within 7 (seven) calendar days of the demand or within such extended period as may be allowed by the Compliance Officer.

7.3 Annual Disclosures

Every Designated Person, Promoter or member of the Promoter Group, KMP and Director of the Company shall on an annual basis, disclose in **Form I** to the Company, the details of all holdings in securities of the Company held by him / her including statement of holding of their immediate relatives on or before April 30 (for the year ended March 31).

7.4 Disclosure by Company to the Stock Exchanges:

The Compliance Officer shall notify the particulars of such trading to the Stock Exchanges on which the securities are listed within 2 (two) trading days of receipt of the disclosure under 7.2 above or from becoming aware of such information.

The Compliance Officer shall maintain records of all the above disclosures in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof.

A structured digital database, shall be maintained through the PIT Tool containing, inter-alia following details of such persons or entities, as the case may be, with whom UPSI is being shared, or have access to UPSI:

- i. Name and Designation of the person sharing UPSI;
- ii. Name of the person or entity with whom the UPSI is shared;
- iii. Name of the entity where the person with whom the UPSI is shared belongs;
- iv. Permanent Account Number or any other identification authorized by law if the Permanent Account Number of the abovementioned persons is not available;
- v. Nature or type of UPSI shared;
- vi. Purpose of sharing UPSI;
- vii. Date of sharing UPSI; and
- viii. Mode of sharing UPSI.

Additionally, the CIRO / Compliance Officer shall maintain the following records of the Insiders in respect of sharing of UPSI on legitimate purpose including the following:

- i. Whether the UPSI is required to be shared?

- ii. Why the information is required by the recipient?
- iii. Whether the person was authorized to share the UPSI?
- iv. Whether the Compliance Officer / CISO was intimated before such sharing of UPSI?
- v. Whether non-disclosure agreements were signed?
- vi. Whether notice to maintain confidentiality of the shared UPSI has been given?

The database shall be monitored by the CISO & Compliance Officer from time to time, and such additions / deletions of data requirements / details as may be deemed necessary shall be carried out from time to time.

The said digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

8. MECHANISM FOR PREVENTION OF INSIDER TRADING

The Company has adopted a system of internal controls which mainly consists of the following, to prevent dealing in securities by insiders by misuse of UPSI:

- i. Any person who has access to UPSI shall be identified as a Designated Person.
- ii. All UPSI shall be identified and its confidentiality shall be maintained by Designated Persons.
- iii. Adequate restriction shall be placed on procurement, communication and sharing of UPSI by Designated Persons. List of people with whom UPSI is shared shall be maintained and confidentiality agreement shall be executed or notice shall be served to all such persons
- iv. Audit Committee shall review once in a financial year, the process to evaluate effectiveness of the above said internal controls and shall verify that the system for internal control are adequate and are operating effectively.
- v. Audit Committee shall review at least once in a financial year, compliance with this Code of Conduct read with Prevention of Insider Trading Regulations.

9. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

The Company shall ensure that adequate and effective system of internal controls (including the PIT Tool) are put in place to ensure compliance with the requirements of these Regulations and to prevent insider trading. Internal controls shall include:

- a. Identification of people having access to UPSI as Designated Persons;
- b. Identification and maintenance of confidentiality of UPSI;
- c. Restriction on communication or procurement of UPSI shall be placed;
- d. Maintaining a digital database containing names of the people with whom UPSI is shared;
- e. Maintaining a list of persons / fiduciaries with whom UPSI is shared and confidentiality agreements or notice to be served on them; and
- f. Periodic process review to evaluate effectiveness of internal controls.

The Company shall also take necessary steps to communicate with Intermediaries and Fiduciaries for maintaining by them of the minimum standards for Code of Conduct as required by the Regulations.

10. DEALING IN CASE OF VIOLATION OF CODE OF CONDUCT

10.1. Inquiry and Investigation

If any non-adherence to the Code of Conduct is observed, the Compliance Officer shall cause an internal inquiry and if non-compliance is established, the Compliance Officer shall report the same

to the Chairman and / or Managing Director & CEO and / or Chief Financial Officer and after further

inquiry or investigation or direction, the Chairman and / or Managing Director & CEO and / or Chief Financial Officer will decide further course of action including reporting to the Audit Committee / Board of Directors.

The inquiry and investigation under the Code of Conduct and Regulations shall include:

- i. Investigation of the matter;
- ii. Asking the concerned insider for personal presence, examination, cross examination, etc.;
- iii. Calling for personal information / documents from an insider;
- iv. Filing of complaint, if required, before police authority / designated cell under the Information Technology Act, 2000;
- v. Retention of documents gathered during investigation;
- vi. Report to the Audit Committee; and
- vii. Such other measures as may be required.

10.2. Reporting

If case of any non-adherence to the Code of Conduct is observed, the Compliance Officer shall report to the Audit Committee / Board of Directors, depending upon the nature and severity of the non-compliance.

In case the Board of Directors of the Company determine that there has been violation of this Code of Conduct and Regulations, the Board shall inform SEBI about such violation.

10.3. Burden of proof

When a person (including a connected person) who has traded in the securities of the Company, 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. This onus is on such person to prove their innocence.

10.4. Penalties

The Designated Person, who violates the Code of Conduct shall, in addition to any other penal action that may be taken by the Company pursuant to the law, also be subject to disciplinary action including termination of employment, suspension, wage freeze, non-participation in future employee stock option or any other appropriate action as may be decided by the Audit Committee / Board.

In case of any non-adherence of this Code of Conduct by any Director is observed, penalty to be imposed shall be decided by the Board.

Action taken by the Company for violation of this Code of Conduct against any Designated Person will not preclude SEBI from initiating any action for violation of the Regulations or any other applicable laws, rules, directions, etc. Accordingly, in addition to the action taken by the Company, the person violating this Code of Conduct and Regulations will also be subject to action by SEBI.

As per Section 15G and Section 24 of the Act, any Insider, who violates the said Regulations, is liable to a penalty that may be imposed by SEBI which shall not be less than Rs.10 lakhs but which may extend to Rs.25 crores or 3 times the amount of profit made out of such Insider Trading, whichever is higher and shall also be punishable with imprisonment for a term extending upto 10 years or a fine up to Rs.25 crores or with both.

As per Section 11(C)(6) of the Act, if any person without justifiable reason, refuses to co-operate in

any investigation by SEBI with respect to Insider Trading, then he / she shall be punishable with an imprisonment for a term extending upto one year, or with fine up Rs.1 Crore or with both, and also with a further fine upto Rs.5 lakh for every day of such non co-operation.

As per Section 11(4)(b) of the Act, SEBI is also empowered to pass directions to such insider not to deal in the concerned securities in any particular manner and / or prohibit him / her from disposing of the concerned securities and / or declaring the concerned transaction(s) of securities as null and void and / or restraining the insider from communicating or counseling any person to deal in securities.

Forms available on the PIT Tool

Forms	Description
Form A	Form for initial disclosure of securities held by promoter, key managerial personnel, director, Designated Persons and immediate relatives
Form B	Form for disclosure of securities held on being appointed as key managerial personnel or director or Designated Person or upon becoming a promoter of the Company, including any changes thereof
Form C	Form for disclosure by promoter, key managerial personnel, director, Designated Persons for transactions of securities in excess of certain limits
Form D	Transaction by other connected persons as identified by the Company
Form E	Form for application of pre-clearance for dealing in securities
Form F	Form for undertaking to be accompanied with the application for pre-clearance
Form G	Form for pre-clearance order
Form H	Form for disclosure of pre-clearance transactions
Form I	Form for Annual disclosure of securities held by promoter, key managerial personnel, director and Designated Person
