

# **Royal Orchid Hotels Limited**

## **Insider Trading Policy**

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## **1. INTRODUCTION**

Royal Orchid Hotels Limited (the “**Company**”) is a public company whose equity shares are listed on National Stock Exchange of India Limited and BSE Limited and subject to the rules and regulations issued by the Securities and Exchange Board of India (“**SEBI**”).

Insider trading means dealing (including buying as well as selling) in securities of a company listed/traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India had formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Sub-regulation (1) of Regulation 9 inter alia, requires all listed companies to frame a Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders by adopting the minimum standards as set out in Schedule B to the Regulations.

Sub-regulation (1) of Regulation 8 requires all listed companies to formulate and publish on its website, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information by adopting the minimum standards as set out in Schedule A to the Regulations.

The Board of Directors of the Company have adopted this Insider Trading Policy (the “**Policy**”) on **May 30, 2023** and shall be applicable with immediate effect, to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI Regulations**”).

The SEBI Regulations prohibit an Insider from Trading in the securities of a company listed on any stock exchange on the basis of any unpublished price sensitive information.

All the Directors, Designated Persons, officers and connected persons of Company are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the Policy.

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (“**UPSI**”) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director, Officer, Designated Person and connected person of the Company has a duty to safeguard the confidentiality of all such UPSI obtained in the course of his or her work at the Company. No Director, Officer, Designated Officer and connected persons may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

The Company hereby stipulates that this Insider Trading Policy is to be complied by all directors, officers, Designated Persons and connected persons.

## **2. OBJECTIVE OF THIS CODE OF CONDUCT**

The objective of this policy is to:

- a. Prohibit the communication of unpublished price sensitive information except for legitimate purposes, performance of duties or discharge of legal obligations;
- b. Prohibit trading in the securities of the Company while in possession of unpublished price sensitive information;
- c. Enable disclosure of trading by Insiders; and
- d. Ensure appropriate, fair and timely disclosure of unpublished price sensitive information.
- e. Initiate inquiry/ investigation in case of leak or a suspected leak of unpublished price sensitive information.
- f. Take disciplinary / penal / corrective actions, if so required, in case of any violation of the Rules.

## **3. DEFINITIONS**

- i. **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- ii. **“Board”** means the Securities and Exchange Board of India.
- iii. **“Company”** means Royal Orchid Hotels Limited.
- iv. **“Code” or “Code of Conduct”** shall mean the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosures of Royal Orchid Hotels Limited as amended from time to time;
- v. **“Compliance Officer”** means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.
- vi. **“Company Secretary”** means a person who is a member of the Institute of Company Secretaries of India and who is appointed by a company to perform the functions of a company secretary under this Act.
- vii. **“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 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.

**viii. “Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Company either as principal or agent;

**ix. “Designated Persons”** shall include a person occupying any of the following position in the company:

- All Directors on the Board;
- Promoters including members of promoter’s group;
- All Key Managerial Personnel;
- All Senior Managerial Personnel one level below the Managing Director including Heads of Departments.
- Chief Executive Officer and 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;

- All Employees in the Finance & Accounts, Legal, Corporate Communications, Investor Relations Secretarial & Compliance department;
- Internal Auditors, Statutory Auditors, Secretarial Auditors, Consultants and Advisors of the Company;
- Any other person who on the basis of their role and function in the Company and its material subsidiaries, is reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, as may be decided by the Board from time to time;

- x. **"Director"** means a member of the Board of Directors of the Company.
- xi. **"Employee"** means every employee of the Company including the Directors in the employment of the Company and shall have the same meaning as in explanation in applicable regulation of the SEBI (PIT) Regulations.
- xii. **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis.
- xiii. **"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.
- xiv. **"Insider"** means any person who is:
- i) A connected person; or
  - ii) In possession of or having access to unpublished price sensitive information.
- xv. **"Key Managerial Personnel"** means a person as defined under Section 2(51) of the Companies Act, 2013.
- xvi. **"Officer"** shall have the meaning assigned to it under the Companies Act, 2013.
- xvii. **"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.
- xviii. **"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.
- xix. **"Policy" or "Insider Trading Policy"** means the policy to prohibit an Insider from Trading in securities of a listed company on any stock exchange on the basis of any unpublished price sensitive information.
- xx. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- xxi. **"Specified Persons"** means the Directors, connected persons, the insiders, the Designated Persons and the promoters and immediate relatives(s) who are collectively referred to as Specified Persons;
- xxii. **"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.

**xxiii. "Trading Day"** means a day on which the recognized stock exchanges are open for trading;

**xxiv. "Unpublished Price Sensitive Information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (v) Changes in key managerial personnel.

Words and expressions used and not defined in SEBI (PIT) Regulation, 2015 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 Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

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

The Company Secretary shall be designated as the Compliance officer of the Company and his/her duties and roles shall be as follows:

- The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of this policy 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 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, or to the Chairman of the Board of Directors on quarterly basis or at such frequency as may be stipulated from time to time by the Board of Directors.
- 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 shall administer the Company's Code of Conduct and other requirements under the SEBIT Regulations.
- He shall maintain a record of Designated Persons and any changes made to the list of Designated Persons.

- He shall be responsible for monitoring implementation of the Policy under the overall supervision of the Board.
- He may in consultation with the Chairman and/or Managing Director and shall as directed by the Board, specifies prohibited period from time to time and immediately make an announcement thereof;
- He shall ensure that prohibited period is intimated to all concerned before the commencement of the said period;
- He shall maintain records of all the declarations submitted in the appropriate form given by the Designated Persons;
- He shall inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent, as required under rules and regulations promulgated by SEBI or the Stock Exchanges;
- He shall place details of the dealing in the securities by Designated Persons before the Managing Director/as may be required and the accompanying documents that such persons had executed under the pre-dealing procedure as mentioned in this Policy.
- He shall implement the punitive measures or disciplinary action prescribed for any violation or contravention of the Code of Conduct;
- He shall do all such things as provided in the SEBI Insider Trading Regulations and as may be prescribed by SEBI from time to time.

## **5. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

### **5.1 Communication or procurement of unpublished price sensitive information:**

- 5.1.1.** No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a 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.

Explanation – For the purpose of illustration, the term “**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 advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

- 5.1.2.** No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes,



performance of duties or discharge of legal obligations.

- 5.1.3.** 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.
- 5.1.4.** Provided that nothing contained above shall be applicable when an 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 of the listed company is of 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 of the listed 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.
- 5.1.5.** 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 purpose of point no. 4.1.4, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
- 5.1.6.** The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- 5.1.7.** 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.

**5.2 Trading when in possession of unpublished price sensitive information:**

- i) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange 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.

However, the insider may prove his innocence by demonstrating the circumstances including the following: —

- (i) 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 code and both parties had made a conscious and informed trade decision And said shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within 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 code and both parties had made a conscious and informed trade decision;
  - (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) 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) appropriate and adequate arrangements were in place to ensure that these 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 set up in accordance with code.
- ii) 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 and in other cases, the onus would be on the Board.

## **6. INTERNAL CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS**

The Code of Conduct is formulated to regulate, monitor and report trading by Designated Persons and other connected persons towards achieving compliance with SEBI regulations, adopting the minimum standards set out in Schedule B thereto, without diluting the provisions thereof in any manner.

- 6.1.** Employees and connected persons designated on the basis of their functional role in the Company shall be governed by the following code of conduct and they may execute trades subject to compliance with this Code and SEBI Regulations.
- 6.2.** The compliance officer shall report to the board of directors 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.
- 6.3.** Need to know:
  - All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated, provided or allowed access, to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

“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.
- 6.4.** Designated Persons and immediate relatives of designated persons in the Company shall be governed by a code of conduct governing dealing in securities.
- 6.5.** Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall 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. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- 6.6.** The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
- 6.7.** 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 on an annual basis and as and when the information changes:
  - Immediate relatives

Persons with whom such designated person(s) shares a material financial relationship Phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

- 6.8.** All non-public information directly received by any employee should immediately be reported to the head of the department.
- 6.9.** The Company shall also prescribe a process for how and when people are brought 'inside' on sensitive transactions. Individuals should be 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.
- 6.10.** Limited access to confidential information:  
Files containing confidential information shall be kept secure. Computer files must have Adequate security of login and password, etc.

**6.11. Policy for Determination of Legitimate Purpose:**

For the purpose of these Rules and the SEBI Regulations, sharing of UPSI in furtherance of Legitimate Purpose shall include sharing of UPSI in the ordinary course of business of the Company by an Insider with the following (including but not limited to), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these Rules or the SEBI Regulations:

Customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors.

**6.12. Notice or Confidentiality / Non-Disclosure Agreement**

- Any person in receipt of UPSI in furtherance of a legitimate purpose shall be considered as an insider for the purpose of these Rules and the SEBI Regulations.
- The details so obtained shall be maintained in a digital database with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.
- The Designated Persons and Employees, sharing UPSI in furtherance of legitimate purposes, shall issue a due notice or enter into a confidentiality / non-disclosure agreement with such insider to maintain confidentiality of the UPSI in compliance with these Rules and the SEBI Regulations.

**6.13. Digital Database of Recipients of UPSI and Recording of dealing in securities:**

- The Designated Persons and employees, sharing UPSI in furtherance of legitimate purposes, shall inform to the Compliance Officer, the Name and Permanent Account Number or such other identifier authorized by law or such other details, as may be required, of such persons or entities with whom UPSI is shared under these Rules.
- The details so obtained shall be maintained in a digital database with adequate

internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

- The Digital Database so maintained shall be preserved for a period of not less than 8 (eight) years after completion of the relevant transaction or for such specific period as may be specified by SEBI in case of proceedings, if any.

#### **6.14. Dealing With Analysts/Institutional Investors/Media:**

Only the following persons are authorised to attend a meeting or interact with analysts/researchers, institutional and other investors or the media or any investor relations conference, on behalf of the Company:

- Managing Director;
- Chief Financial Officer;
- GM Finance and' or Compliance officer;
- Any employee from Senior Management with the permission of any of the members of the Board.

#### **6.15. All the Designated person are under an obligation to apply for pre-clearance, if the value of their proposed trade exceeds the limit as mentioned under regulations and if so, approved by the Compliance officer, to record all such trades/upload at Company website.**

## **7. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING**

The Managing Director or such other analogous person of the company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the code to prevent insider trading.

#### **7.1. The internal controls shall include the following:**

- I. All employees who have access to unpublished price sensitive information are identified as designated person;
- II. All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- III. Adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
- IV. 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;
- V. All other relevant requirements specified under these regulations shall be complied with;
- VI. Periodic process review to evaluate effectiveness of such internal controls.

- 7.2. The Audit Committee of a company or other analogous body for intermediary or fiduciary 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.

## **8. PROCESS OF INQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI/ PROTECTION AGAINST RETALIATION AND VICTIMIZATION**

### **8.1. Process of inquiry in case of leak of UPSI or suspected leak of UPSI**

The Company shall follow the following procedure in case of leak of UPSI or suspected leak of UPSI:

- a) Inquiry under this policy shall commence based on a written complaint received from any employee, whistle blower, department of the Company, Registrar and Share Transfer Agent, designated persons, depository, Stock Exchange, Regional Director (MCA) any other appropriate authority.
- b) The complaint shall inter-alia state particulars of the complainee and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.
- c) The Complaint shall be addressed to the Managing Director and/or Chief Financial Officer of the Company (hereinafter known as “officer”).
- d) Within 5 (five) working days of receipt of the complaint, officer shall write to the complainee intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter. If feels that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company then he will discard the complaint with reasons recorded in writing.
- e) Within 7 (seven) working days of receipt of representation, officer shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he may deem expedient in this regard. During the course of such investigation, officer may call for such additional documents, representations, etc. as he may deem fit.
- f) If no representation is received within the aforesaid stipulated time, officer shall issue notice to the complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
- g) On completion of the preliminary investigation, receipt of reply to the show cause notice issued under point f) or on non-receipt thereof, officer shall refer the matter to the Chairman of the Audit Committee, along with his opinion, for his consideration.

- h) Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and shall actually convene the concerned meeting within a period of 120 days of receipt of opinion of officer.
- i) The Audit Committee shall consider the matter and forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review, if forms an opinion that the complaine is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings of the company, which will be in addition to the penal provisions stated under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any other statutory enactments, as applicable.
- j) The Company through its officer's suo-moto reserves the right of initiating an inquiry under this policy against any designated person/Specified person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.
- k) This policy shall not in any way preclude any referrals, complaints, measures, actions etc. Which can be instituted or which are available under the existing Vigil Mechanism Policy of the Company.
- l) The word Officer wherever referred in this policy shall mean and senior officer(s) of the company preferably having financial and legal knowledge, whether occupying board position or not, by whatever name called.

If an inquiry has been initiated by a 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 Company.

## **8.2. Protection against retaliation and victimization**

- I. The Company shall provide suitable protection to the informant/employee, who has provided information to the Board under SEBI (Prohibition of Insider) Regulations, 2015, against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination irrespective of whether the information is considered or rejected by the Board or he or she is eligible for a Reward under the Regulations, for such reasons as are mentioned under SEBI (Prohibition of Insider Trading) Regulations, 2015.
- II. Nothing in these policy shall prohibit any Informant/person who believes that he or she has been subject to retaliation or victimization by company, from approaching the competent court or tribunal for appropriate relief.

## **9. TRADING PLAN**

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.

9.1. Trading plan shall: –

- a) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- b) 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;
- c) Entail trading for a period of not less than twelve months;
- d) Not entail overlap of any period for which another trading plan is already in existence;
- e) 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
- f) Not entail trading in securities for market abuse.

9.2. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

9.3. 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 be commenced, if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information.

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

## **10. TRADING WINDOW AND WINDOW CLOSURE**

10.1 A notional trading window as specified herein below shall be used as an instrument of monitoring trading by the Designated Persons:

- a) The trading period, during which trading on Stock exchanges is permitted as hereinafter provided is called “trading window”;
- b) The trading window shall 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. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Trading restriction period shall be made applicable from the end of every quarter till the second day after the submission of financial results. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 hours after the information becomes generally available. The trading window restrictions shall not apply in respect of transactions specified under sub section (4)3 of Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015.

- c) 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, or during any other period as may be specified by the Company from time to time.
- d) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

- 10.2 The Compliance Officer shall intimate the closure of trading window to all the designated Persons of the Company when he 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 in which such unpublished price sensitive information relates.
- 10.3 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, which shall be forty-eight hours after the information, becomes generally available.
- 10.4 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.

## **11. PRE-CLEARANCE OF TRADES**

- 11.1. When the trading window is open, trading by every promoter, member of the promoter group, designated person and director of every company shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded **value in excess of 10 Lakh rupees**.

### **Illustration:**

Mr. A (Designated Person) holds 25,000 equity shares of the Company as at March 31, 2023. Mr. A Intends to sell 5,000 equity shares in three lots as under:

<b>Lot 1</b> Comprising 2000	During quarter ended June, 2023	Assume Company's share price Rs. 300	Traded value of share would be Rs. 6,00,000
<b>Lot 2</b> Comprising 2000	During quarter ended June, 2023	Assume Company's share price Rs. 310	Traded value of share would be Rs. 6,20,000
<b>Lot 3</b> Comprising 1000	During quarter ended September, 2023	Assume Company's share price Rs. 320	Traded value of share would be Rs. 3,20,000

Mr. A need not obtain pre-clearance for selling the first lot (as the traded value does not exceed Rs. 10 Lacs during a calendar quarter). However, before the sale of the second lot of 2,000 shares Mr. A shall pre-clear the transaction as the aggregate traded value of his dealings exceeds the threshold of Rs. 10 Lacs during a calendar quarter.

During the calendar quarter ended September 2023, Mr. A may execute sale of 2,000 shares in lot 3 without requiring pre-clearance i.e. he can enter into fresh sale transaction(s) provided the traded value of such fresh transaction is upto Rs. 10 Lacs during that quarter, without seeking pre-clearance.

- 11.2. An **Application** may be made as per “**ANNEXURE 1**” and an **Undertaking** as per “**ANNEXURE 2**” to the Compliance officer of the Company.
- 11.3. Before granting pre-clearance, the Compliance Officer shall have due regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 11.4. The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Person, on the condition that the Trade so approved shall be executed within 7 trading days following the date of approval, failing which fresh pre-clearance would be needed for the trades to be executed.
- 11.5. The promoter, member of the promoter group, designated person, all specified persons and director shall, within 2 trading days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per “**ANNEXURE 3**”. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- 11.6. The authority for pre-clearance of trades shall be as under:

<b>Trading by following Designated Authority for Pre-clearance Persons (including by their immediate relatives)</b>	<b>Authority for Pre-clearance</b>
Directors/Promoters	Chairperson of Audit Committee and/ or Compliance Officer
Compliance Officer	MD and/or Chief Financial Officer
Other Designated Persons	Compliance Officer

## **12. DISCLOSURES OF TRADING BY INSIDERS**

**12.1.** The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

**12.2.** The disclosures of trading in securities shall also include trading in derivatives of securities, if any permitted by law for the time being in force and the traded value of the derivatives shall be taken into account for purposes of this Code.

**12.3.** The disclosures made under this Clause shall be maintained by the Company for a minimum period of five years, in such form as may be specified by SEBI.

### **12.4. Initial Disclosures:**

- a) Every person on appointment as 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 promoter, to the company within seven days of such appointment or becoming a promoter.

### **12.5. Continual Disclosures:**

- a) Every promoter, member of the promoter group, designated person and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

### **12.6. Disclosures by other connected persons:**

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

## **13. TRADING BY PORTFOLIO MANAGERS/BROKERS ON THE BEHALF OF INSIDERS**

**13.1.** The code is also made applicable to insiders who engage Portfolio Managers/Brokers to trade in shares and hence the insiders are expected to take due precaution while trading in securities through Portfolio Managers/Brokers by:

- Informing Portfolio Managers/Brokers about closure of trading window;
- Ensuring to seek pre clearance approval;
- Ensuring portfolio managers/Brokers comply with minimum holding period and contra trade norms;
- Prohibiting portfolio managers/Brokers to deal in securities of Company while in possession of UPSI;
- The insider will be held responsible for any act of non-compliance on the part of portfolio manager/Brokers in regard to PIT policy and conduct.

## 14. **PENALTY FOR CONTRAVENTION**

- 14.1.** Every Specified Person/Designated Person/Insider shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof applicable to his/her immediate relatives).
- 14.2.** Any Specified Person/Designated Person/Insider who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Board of Directors of the Company as per the table below, apart from the penalties prescribed under the Code.

Categories of Non-Compliances		Penal/ Disciplinary Actions that may be taken by the Audit Committee
<b>A. Substantive Non-Compliances:</b>		
1	Trading during Prohibited Period	<b>For 1<sup>st</sup> instance an amount up to the higher of the following:</b>  (i) *An amount not less than or equivalent to 1% of the value of transaction undertaken <b>or</b> (ii) Rs. 20,000/-  <b>On and from 2<sup>nd</sup> Instance and every repeated non-compliance:</b>  (i) As per the discretion of Audit Committee and (ii) Appropriate penal action including wage freeze, suspension, ineligibility for participation in ESOPs of company, permanent prohibition to deal in securities of the Company and/or termination.
2	Trading on the basis of UPSI	
3	Undertaking Opposite transactions/ Derivative Transactions	
4	Making recommendation directly or indirectly on the basis of UPSI	
5	Communication of UPSI in violation of these Rules or the SEBI Regulations.	
6	Trading without seeking pre-clearance trades	
<b>B. Procedural Non-Compliances:</b>		
1	Non-Reporting/Delayed reporting of transactions required to be reported	For 1st instance

	post trading	
2	Non-reporting/delayed reporting of Continual disclosures	Warning Notice for the first instance of non-compliance. For every repeated act — a fine up to Rs. 5,000/-
3	Any other Non — Compliances (e.g. Sharing of UPS! without issuing due notice or a due notice or enter into a confidentiality agreements, Delay in filing of initial and annual disclosures or Non updation or concealment of sell and relative information on TIMP)	On and from 2 <sup>nd</sup> instance and for every repeated non-compliance: Penalty of Rs. 20,000/- or any other disciplinary action including penalty as may be decided by the Audit Committee, based on the circumstances of each case.  The Audit Committee may further authorize MD, CFO and/or Compliance Officer to take appropriate action.

\*in exception circumstances the Audit Committee may fix and amount as it deem(s) fit.

In addition to the above penalties Designated Persons/Specified Persons/Insider who violate the Code shall also be subject to disciplinary action by the Board of Directors of the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

The action by the Company shall be in addition and without prejudice to any action that may be taken by SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, 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

In case it is observed by the Board of Directors that there has been a violation of SEBI regulations, they shall inform SEBI promptly.

## **15. CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering to each of the principles enunciated in Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015, in pursuance of Regulation 8(1) thereof, is set out below:

The Company shall promptly intimate the Code and every amendment thereto, to the stock exchanges where its securities are listed and place it on its website.

- a) There shall be Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

- b) The Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure shall be ensured.

The disclosure of Unpublished Price Sensitive Information shall be made promptly to the Stock Exchanges where the securities are listed to ensure uniformity and prevent selectivity.

- c) The Chief financial Officer of the Company is designated as Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive Information.
- d) There shall be Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e) The Board of Directors have authorised Managing Director and Chief Financial Officer to ensure that appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f) The Board of Directors have authorised Managing Director and Chief Financial Officer to ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- g) The Board of Directors have authorised Managing Director and Chief Financial Officer to Develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- h) Handling of all “Unpublished Price Sensitive Information” on a need to know basis.

## **16. CORPORATE DISCLOSURES**

**16.1.** Company Secretary or Authorised Official shall obtain prior approval of Chairman/Managing Director depending upon the nature of sensitivity of the information before releasing to the Stock Exchanges.

**16.2.** If any unpublished price sensitive information is accidentally disclosed or disclosed selectively without prior approval, the person responsible for disclosing such information, shall inform the Chairman/Managing Director and Company Secretary or Authorised Officials immediately. On receipt of such information Company Secretary in consultation with Chairman/ Managing Director/Executive Director shall disclose the same to the stock exchanges and also get the same posted on the website of the Company so as to make such information generally available.

**16.3.** Responding to Market Rumors:

- I. The directors and employees of the Company shall promptly refer any queries or requests for verification of market rumours received from the stock

exchanges or from the press or media or from any other source to the Company Secretary/CFO/MD. Replies to all queries or requests for verification of rumors shall be sent only after obtaining the approval of CFO/ MD / Chairman.

- II. The Company Secretary shall on receipt of requests as aforesaid, consult the Chairman/Managing Director/CFO and respond to the same without any delay. The replies shall be signed by such other officer as may be authorized in the absence of Compliance Officer.
- III. The Company Secretary shall on receipt of requests as aforesaid, consult the Chairman/Managing Director/CFO and respond to the same without any delay. The replies shall be signed by such other officer as may be authorized in the absence of Compliance Officer.
- IV. All the requests/queries received shall be documented and as far as practicable, the Company Secretary, shall request for such queries/request to be given in writing. The Company Secretary or the Compliance Officer shall oversee corporate disclosures.
- V. The Directors, Officers, and Employees of the Company shall provide only public information to the analysts/research personnel/large investors like financial institutions, private equity etc.
- VI. In case non-public information is proposed to be provided, by the Directors, Officers and Employees, the person proposing to provide information shall consult Chairman/Managing Director or the advance. Chairman/Managing Director/ CFO in such cases, shall ensure that the information provided to the analysis/research personnel/investors as above is made public simultaneously with such disclosure.

**16.4. Handling of unanticipated questions:**

- I. The Company shall take extreme care and caution when dealing with analysts' questions and defer issues outside the intended scope of discussion.
- II. Chairman/Managing Director//Chief Financial Officer should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later. If answer to any question requires dissemination of Price Sensitive Information, the Chairman/Managing Director/Chief Financial Officer shall ensure that the same shall be disseminated (o the Stock Exchanges and uploaded on the website of the Company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

**16.5. Recording of Discussions:**

- I. The Chief Financial Officer in order to avoid misquoting or misrepresentation, shall arrange for recording the discussions at the meeting and the audio file is uploaded on the web site of the Company till it is substituted by the transcripts of the same. If required under applicable regulation.

**16.6.** Simultaneous Release of Information would be done as under if required under applicable regulation:

- I. Whenever the Company organizes meetings with investment analysts/institutional investors, the Company shall post relevant information on its website after every such meeting.
- II. The Company Secretary in consultation with the Chairman/Managing Director/Executive Director shall get the text of the calls to be posted on the Company's website.

## **17. CHINESE WALL PROCEDURES**

**17.1.** All Designated Persons must maintain the confidentiality of all UPST coming into their possession or control. To comply with this confidentiality obligation, the Designated Persons shall not:

- Pass on any UPSI to any person directly or indirectly by way of making a recommendation for the trading in the securities of the Company; or
- Disclose UPSI to their family members, friends, business associates or any other individual, or
- Discuss UPSI in public places, or
- Disclose UPSI to any Employee who does not need to know the information for discharging his or her duties, or
- Recommend to anyone that they may undertake trading in the securities of the Company while being in possession, control or knowledge of UPSI, or
- Be seen or perceived to be trading in the securities of the Company on the basis of UPSI.

**17.2.** Files containing UPSI shall be kept secured;

**17.3.** The promoter, member of the promoter group, all designated person, all specified persons and director must follow the guidelines for maintenance of records as may be prescribed by the Company or Compliance Officer.