

Socradamus Capital Private Limited

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Prepared by	Compliance Officer
Approved by	Board of Directors
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CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING



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INTRODUCTION

Socradamus Capital Private Limited has formulated a Code of Conduct for Prohibition of Insider Trading (“**Code**”), pursuant to the SEBI (Prohibition of Insider Trading) Regulation, 2015 (“**Regulations**”), as amended, from time to time.

The capitalized terms referred to herein, but not defined in the Code, shall have the same meaning as assigned to them under the Regulations.

OBJECTIVE

The objective of this Code is to put in place a framework for Prohibition of Insider Trading, and to regulate, monitor and ensure reporting of trading by Designated Persons and their Immediate Relatives towards achieving compliance with the Regulations.

I. DEFINITION

- 1) “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 2) “**Board**” means the Board of Directors of the Company, or any Committee constituted by the Board of Directors for the purpose of this Code.
- 3) “**Company**” means Socradamus Capital Private Limited.
- 4) “**Compliance Officer**” means the Compliance Officer under the SEBI (Merchant Bankers) Regulations, 1992 (**Merchant Banking Regulations**). It means only the Compliance Officer appointed under Merchant Banking Regulations can be the Compliance Officer under Insider Trading Regulation.
- 5) “**Connected Person**” means:
 - (i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.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 Person unless the contrary is established-



- (a) a Relative of Connected Persons specified in clause (i);
- (b) a holding company or associate company or subsidiary company;
- (c) an intermediary as specified in Section 12 of the Act or an Employee or director thereof; 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 or a mutual fund or is an employee thereof; or
- (g) a member of the Board 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 recognized or authorized by the Board;
- (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 relative or banker of the company has more than 10% of the holding or interest; or
- (k) a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
- (l) a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);”

6) **“Designated Persons”** shall include:

- (i) All Directors of the Company;
- (ii) All Key Managerial Personnel of the Company;
- (iii) Employees of the Company, intermediary or fiduciary designated on the basis of their functional role or access to UPSI;



- (iv) Employees of material subsidiaries(s) of Company designated, on the basis of their functional role or access to UPSI in the organization, by their Board of Directors;
 - (v) All Promoters of the Company and promoters who are individuals or investment companies for intermediaries or fiduciaries;
 - (vi) Chief Executive Officer and Employees of the Company upto two levels below Chief Executive Officer of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role or ability to have access to UPSI ;
 - (vii) Any supporting staff of the Company, Intermediary or Fiduciaries such as IT staff or secretarial staff who have access to UPSI;
 - (viii) Any other Employees as may be designated by the Compliance Officer from time to time, who may be considered to be in possession of UPSI.
- 7) **“Director”** means a member of the Board of Directors of the Company.
- 8) **“Employee”** means any person in the employment of the Company.
- 9) **“Fiduciaries”** means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company.
- 10) **‘Fraud’** shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- 11) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.
- 12) **“Immediate Relative”** means a spouse of a person, and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in Securities.
- 13) **“Intermediary”** means an intermediary registered with SEBI.
- 14) **“Insider”** means any person who is:



- (i) Connected Person; or
 - (ii) in possession of or having access to UPSI.
- 15) **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013, and as recognized under the SEBI (Merchant Bankers) Regulations, 1992.
- 16) **“Promoter”** shall have the same meaning as assigned under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereto.
- 17) **“Promoter Group”** shall have the same meaning as assigned under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 18) **“Relative”** shall mean the following:
- (i) spouse of the person;
 - (ii) parent of the person and parent of its spouse;
 - (iii) sibling of the person and sibling of its spouse;
 - (iv) child of the person and child of its spouse;
 - (v) spouse of the person listed at sub-clause (iii); and
 - (vi) spouse of the person listed at sub-clause (iv)
- 19) **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 and any amendments thereto.
- 20) **“SEBI”** means Securities and Exchange Board of India.
- 21) **“Securities”** shall have the same meaning as assigned under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- 22) **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 23) **“Trading/Dealing in Securities”** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities of the Company either as principal or agent.
- 24) **“Trading Day”** means a day on which the recognized stock exchanges are open for

trading.

25) **“Unpublished Price Sensitive Information/UPSI”** means any information which relates to the company and its Securities, directly or indirectly, that is not generally available which upon generally available is likely to materially affect the price of Securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividend;
- (iii) change in capital structure;
- (iv) merger, de-mergers, acquisitions, de-listings, disposals and expansion of business and award or termination of order/contracts not in the normal course of business and such other transactions;
- (v) Changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- (vi) change in rating(s), other than ESG rating(s);
- (vii) fund raising proposed to be undertaken;
- (viii) agreements, by whatever name called, which may impact the management or control of the company;
- (ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- (x) resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
- (xi) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- (xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- (xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- (xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- (xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- (xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.



II. COMMUNICATION OR PROCUREMENT OF UPSI

1. No Insider shall communicate or provide access to UPSI relating to the securities of listed or proposed to be listed companies, including client companies, except for legitimate purposes, performance of duties, or discharge of legal obligations;
2. No person shall procure from or cause the communication by any Insider of UPSI, relating to the securities listed or proposed to be listed companies, including client companies, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations;
3. Any person in receipt of UPSI to a “**Legitimate Purpose**” shall be considered an “Insider” for the purpose of Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations;

For the purpose of this clause, the term “**Legitimate Purposes**” shall include sharing of UPSI 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 must not be carried out to evade or circumvent the prohibitions of the Regulations.

4. Notwithstanding anything contained, an UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
 - (a) entail an obligation to make an open offer under the Takeover Regulations where the Board of Directors of the Company is of the informed opinion that sharing of such information is in the best interests of the Company;
 - (b) not attract the obligation to make an open offer under the Takeover Regulations but where the Board of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitutes UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Company may determine to be adequate and fair to cover all relevant and material facts;

For the purpose of this clause, the Board 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 as set out in sub-regulation of Regulations and shall not otherwise trade in Securities of the Company when in possession of UPSI.



5. Structured Digital Database

The Company shall maintain a Structured Digital Database (SDD) containing the names of such persons or entities, as the case may be, with whom information is shared under the regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

Entry of information, not emanating from within the Company, in structured digital database may be done not later than 2 calendar days from the receipt of such information.

Such SDD shall be preserved for a period of not less than 8 (eights) years after completion of the relevant transaction and in the event of any investigation by SEBI or enforcement proceedings, the relevant information in the SDD shall be preserved till the completion of such proceedings.

III. TRADING WHEN IN POSSESSION OF UPSI

1. No Insider shall, directly or indirectly, trade in the securities of any listed company or any company whose securities are proposed to be listed, including client companies, while in possession of Unpublished Price Sensitive Information (UPSI):

Explanation- When a person who has traded in Securities while in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession;

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

- (i) the transaction is an off-market *inter-se* transfer between Insiders who were in possession of the same UPSI without being in breach of regulation 3 of Regulations and both parties had made a conscious and informed trade decision;

Provided that such UPSI was not obtained under sub regulation (3) of regulation 3 of the Regulations.

Provided further that such off-market trades shall be reported by the Insiders to the Company within two working days. The 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
- (iii) between persons who were in possession of the UPSI without being in breach of regulation 3 of Regulations and both parties had made a conscious and informed trade decision;

Provided that such UPSI was not obtained by either person under sub-regulation (3) of regulation 3 of the Regulations.

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

- (vi) in the case of non-individual Insiders: –

(a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that the regulations are not violated and no UPSI 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;

- (vii) the trades were pursuant to a trading plan set up in accordance with regulation 5 of the Regulations.

2. In the case of Connected Persons the onus of establishing, that they were not in possession of UPSI, shall be on such Connected Persons and in other cases, the onus would be on the SEBI.

IV. TRADING PLANS

1. An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out in accordance with such plan.

2. Such trading plan shall:

- (a) not entail commencement of Trading on behalf of the Insider earlier than 120 (one hundred and twenty) calendar days from the public disclosure of the plan;
- (b) not entail overlap of any period for which another trading plan is already in existence;
- (c) set out the following parameters for each trade to be executed:
 - i. either the value of trade to be effected or the number of Securities to be traded;
 - ii. nature of the trade;
 - iii. either specific date or time period not exceeding five consecutive trading days;
 - iv. 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 uptown 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.

Explanation:

- (i) While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional.
 - (ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral.
 - (iii) Insider may make adjustments, with the approval of the Compliance Officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.
- (d) not entail Trading in Securities for market abuse.

3. The Compliance Officer shall 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.



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

Provided further that trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

4. The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to 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.

Provided that the implementation of the trading plan shall not be commenced if any UPSI is 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.

Provided further that if the insider has set a price limit for a trade as mentioned 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.

Explanation: In case of non-implementation (full/partial) of trading plan due to either reasons enumerated above or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

- (i) The insider shall intimate non-implementation (full/partial) of trading plan to the Compliance Officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
 - (ii) Upon receipt of information from the insider, the Compliance Officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Board in the immediate next meeting. The Board shall decide whether such non-implementation (full/partial) was *bona fide* or not.
 - (iii) The decision of the Board shall be notified by the Compliance Officer on the same day to the stock exchanges on which the Securities are listed.
 - (iv) In case the Board does not accept the submissions made by the insider, then the Compliance Officer shall take action as per the Code of Conduct.
5. 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.

V. DISCLOSURES OF TRADING BY INSIDERS

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

2. **Maintenance of records of disclosure**

The Company shall maintain records of all the disclosures for a minimum period of five years.

3. **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 or Designated Person shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 (seven) days of such appointment or becoming a Promoter.

4. **Continual Disclosure**

Every Promoter, member of the promoter group, Designated Person, 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 INR 10 Lakhs (Indian Rupees Ten Lakhs).

5. **Disclosure by the Company to the Stock Exchange(s)**

Within 2 trading days of the receipt of disclosure, as above said, or from becoming aware of such information, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed.

6. **Disclosures by other Connected Persons**

The Company 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 the Regulations.

7. Annual Disclosure

All holdings/ Dealings in Securities of the Company by the Designated Persons should be disclosed in prescribed format respectively on annual basis, as on 31st March every year, by 15th April to the Compliance Officer.

VI. PROTECTION AGAINST RETALIATION AND VICTIMISATION

An Employee who files a voluntary information disclosure form in terms of Chapter IIIA of the Regulations (“Voluntary Information Disclosure Form”), irrespective of whether the information is considered or rejected by SEBI and irrespective of whether the Employee is eligible for a reward in terms of Chapter IIIA of the Regulations, shall not be discriminated, discharged, terminated, demoted, suspended, threatened, or harassed, for any of the following reasons:

- (a) filing a Voluntary Information Disclosure Form under Regulations;
- (b) testifying, participating, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- (c) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement which are solely for preventing such Employee from cooperating with SEBI in any manner.

Explanation- For the purpose of this clause, “Employee” means an individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the Regulations and is a director, regular or contractual Employee, but does not include an advocate.

VII. CODE OF CONDUCT

- 1. The Board of Directors of the Company have formulated this Code to regulate, monitor and report trading by its Designated Persons and immediate relatives of Designated Persons towards achieving compliance with the Regulations.
- 2. The Company has identified and designated Company Secretary as Compliance Officer to administer the Code and other requirements under the Regulations.

VIII. PROCEDURAL STANDARDS FOR CODE OF CONDUCT

- 1. The Compliance Officer shall report to the Board of Directors, on half yearly basis, and



in particular, shall provide reports to the Chairman of the Board of Directors.

2. The Compliance shall also inform to the Board of Directors about the addition/deletion in the list of the Designated Persons during the previous quarter.
3. 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 legitimate purposes, performance of duties or discharge of legal obligations.
4. This Code contains norms for appropriate **Chinese Wall** procedures, and processes for permitting any Designated Person to “Cross the Wall” as follows:

To prevent the misuse of UPSI, the Company has adopted a Chinese Wall strategy under which Designated Person(s) which routinely have access to UPSI shall be considered inside areas and other employees/Person(s), shall be considered public areas. As per the said strategy all the information shall be handled on a need-to-know basis and no UPSI shall be communicated by any Designated Person to any person of public area or any third party except in furtherance of legitimate purposes, performance of duties or discharge of legal functions.

5. Designated Persons and their Immediate Relatives shall be governed by this Code while dealing in the securities of any listed company or any company whose securities are proposed to be listed, including client companies.
6. **Trading Window**

Designated Persons may trade in securities only in compliance with this Code and subject to a notional trading window as a monitoring mechanism.

The trading window shall be closed by the Compliance Officer when a Designated Person or a class of Designated Persons can reasonably be expected to be in possession of Unpublished Price Sensitive Information (UPSI) relating to a listed company or a company whose securities are proposed to be listed, including client companies. Such closure shall apply only to the securities to which the UPSI relates.

Designated Persons and their Immediate Relatives shall not trade in such securities during the period when the trading window is closed.

The trading window shall operate on a client-specific and transaction-specific basis, having regard to the nature of the Unpublished Price Sensitive Information handled by the Company in its capacity as a Merchant Banker, and shall not be linked to any quarter-end or financial results cycle.



7. Pre-Clearance of Trades

When the trading window is open, Designated Persons shall obtain pre-clearance from the Compliance Officer for any trade in the securities of listed or proposed-to-be-listed companies, including client companies, where the aggregate value of such trades exceeds INR 10,00,000 (Rupees Ten Lakh only) in any calendar quarter.

The Compliance Officer shall inform his decisions regarding the clearance within 2 working days of receipt of applications for pre-clearance. In absence of the Compliance Officer said pre-clearance shall be approved by the Officer designated by the Compliance Officer.

Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

The Compliance Officer shall make an application to the Director for pre-clearance of his own dealing in Securities of the Company. The Director, as the case may be, shall inform his decisions regarding the clearance within 2 (two) working days of receipt of application for pre-clearance.

8. Period for completion of the transaction

Trades that have been pre-cleared have to be executed by the Designated Person, within a reasonable timeframe, which in any event shall not be more than seven trading days, failing which fresh pre-clearance would be needed for the trades to be executed.

9. Contra Trade

Designated Person, who is permitted to trade, shall not execute a contra trade within a period 6 (Six) months.

Contra trade executed inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these

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

10. Reporting

The Compliance Officer of the Company shall have power to revise Format from time to time for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, Initial Disclosure and Annual Disclosure as may be determined as being necessary to monitor compliance with the Regulations.

11. Penalty for Contravention of Code of Conduct

- (a) Any Designated Person who, in contravention of this Code, directly or indirectly trades or causes to trade in the securities of any listed company or any company whose securities are proposed to be listed, including client companies, while in possession of Unpublished Price Sensitive Information (UPSI), or communicates or procures UPSI for trading purposes, or otherwise violates the provisions of this Code, shall be liable for disciplinary action by the Company.

The Compliance Officer shall place details of such violations before the Board. The Board shall determine the appropriate disciplinary action, which may include warning, censure, wage freeze, suspension, monetary penalty, suspension or termination of employment or contractual engagement, or any other action as deemed fit.

The Board may impose any further penalty or impose any other action at their discretion which may be over and above the aforesaid framework.

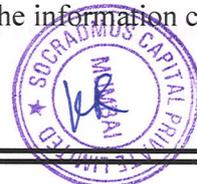
Any amount collected under this clause shall be remitted to the SEBI Investor Protection and Education Fund administered by the SEBI under the Act.

- (b) The penal action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any Designated Person, he shall forthwith inform the Board.

12. Disclosure by Designated Persons

Every Designated Person shall disclose with the Company 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:



- (a) Immediate Relatives;
- (b) Persons with whom such Designated Person(s) shares a Material Financial Relationship;
- (c) Phone/mobile 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.

Explanation—The term “Material Financial Relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Persons during the immediately preceding twelve months, equivalent to at least 25% of such Designated Person’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

13. Any person who is brought ‘Inside’ on sensitive transactions, acknowledges that they are 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.

IX. INSTITUTIONAL MECHANISM FOR PROHIBITION OF INSIDER TRADING

1. The Company has put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in the regulations to prohibit insider trading.
2. The internal controls include the following:
 - (a) all Employees who have access to UPSI are identified as Designated Persons;
 - (b) all the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the Regulations;
 - (c) adequate restrictions shall be placed on communication or procurement of UPSI as required by the Regulations;
 - (d) lists of all Employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such Employees and persons;
 - (e) all other relevant requirements specified under the regulations shall be complied with;
 - (f) periodic process review to evaluate effectiveness of such internal controls.
3. The Board of Directors of the Company shall ensure compliance with regulation 9 and sub-regulations (1) and (2) of the Regulations.



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

5. **Inquiry**

The Company shall initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

If an inquiry has been initiated by a Company in case of leak of UPSI or suspected leak of UPSI, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry by the Company.

- X. **RIGHT TO CHANGE OR AMEND CODE**

The Board has the right to change / amend this Code from time to time and / or in pursuance of any amendments made to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Compliance officer has the right to amend the list of Designated Persons, from time to time.

- XI. **BINDING**

The decision of the Board / Compliance Officer shall be final, binding and conclusive.

THIS CODE IS ONLY AN INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO PROHIBIT INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF DESIGNATED PERSONS TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.

