



**ACCENT MICROCELL LIMITED**

**CODE OF CONDUCT FOR  
PREVENTION OF INSIDER TRADING**

**&**

**CODE OF CORPORATE DISCLOSURE PRACTICES**

## **INTRODUCTION:**

Insider trading means trading in Securities of a company by its Directors, Employees or other Insiders while in possession of Unpublished Price Sensitive Information (“UPSI”). Such trading by Insiders erode the investors’ confidence in the integrity of the management and is unhealthy for the capital markets.

It is mandatory in terms of the Regulations for every listed company, intermediary, fiduciary and any other person who is required to handle UPSI in the course of business operations to formulate a Code of Conduct for Prevention of Insider Trading to regulate, monitor and report trading by its Directors, Employees who are Designated Persons and Immediate Relative of Designated Persons and other Connected Persons. In addition, every company whose Securities are listed on a stock exchange, is also required to formulate a Code of Practices and Procedures for fair disclosure of UPSI (hereinafter referred to as “**Code of Corporate Disclosure Practices**”).

In order to comply with the mandatory requirement of the Regulations, it was necessary to formulate a specific Code of Conduct for Directors, Employees, Designated Persons and other Connected Persons.

This document embodies the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (“**Code**”) to be followed by their Directors, Employees, Designated Persons and other Connected Persons. The Code is based on the principle that Directors and Employees of the Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal Securities transactions in a manner that does not create any conflict-of-interest situation.

The Code is also intended to serve as a guiding charter for all concerned persons associated with the company and their trading in Securities of the company. Further, the Code also seeks to ensure timely and adequate disclosure of UPSI to the investor community by the Company to enable them to take informed investment decisions with regard to the Company’s Securities. The provisions of this Code have to be read along with the Regulations and if there is any inconsistency / contradiction between the two, the provisions of the Regulations shall prevail.

## **DEFINITIONS:**

As used in this Code:

- (a) “**Audit Committee**” means the audit committee of the Company.
- (b) “**Board**” means Board of Directors of the Company.
- (c) “**Code**” means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.

- (d) **“Company”** means Accent Microcell Limited.
- (e) **“Compliance Officer”** means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the 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;

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

- (f) **“Connected Person”** shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include the promoters and their directors and key managerial personnel.
- (g) **“Designated Persons”** shall mean persons designated by the Board in consultation with the Compliance Officer, who are covered under the Code on the basis of their role and function in the Company and the access that role and function provides to UPSI in addition to seniority and professional designation and shall include :-
  - (i) Employees of the Company, designated on the basis of their functional role or access to UPSI;
  - (ii) Employees of material subsidiaries of the Company designated on the basis of functional role or access to UPSI;
  - (iii) All promoters of the Company;
  - (iv) Chief Executive Officer and employees upto two-levels below the Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the Company or their ability to have access to UPSI;
  - (v) All Directors;
  - (vi) Any support staff of the Company, such as IT staff or secretarial staff who have access to UPSI.

- (h) **“Director”** means a member of the Board of Directors of the Company.
- (i) **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- (j) **“Fiduciaries”** means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company.
- (k) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis, such as information published on websites of stock exchanges.
- (l) **“Intermediary”** means an intermediary registered with SEBI.

- (m) **“Immediate Relative”** means the spouse of the person, and includes parent, sibling and child of such person or of the spouse, any of whom is either financially dependent on the person or consults the person in taking decisions relating to trading in securities.
- (n) **“Insider”** means any person who is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information.
- (o) **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.
- (p) **“Promoter”** and **“Promoter Group”** shall have the respective meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- (q) **“Proposed to be listed”** shall include securities of an unlisted company:  
(i) if such unlisted company has filed offer documents or other documents, as the case may be, with the SEBI, stock exchange(s) or registrar of companies in connection with the listing; or  
(ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;
- (r) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- (s) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- (t) **“Trading in Securities”** means and includes an act of subscribing to, buying, selling, dealing or agreeing to subscribe to, buy, sell or deal in any Securities of the Company and “trade” shall be construed accordingly.
- (u) **“Unpublished Price Sensitive Information (“UPSI”)** means any information, relating to a Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:  
(i) financial results;  
(ii) dividends;  
(iii) change in capital structure;  
(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and  
(v) changes in key managerial personnel;

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations.

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

Pursuant to the provision of Regulation 9, the Board of Directors of the Company has ensured that the Chief Executive Officer & Managing Director. has formulated the Code of Conduct for Prevention of Insider Trading, with the Board's approval, to regulate, monitor and report trading by its Designated Persons and their Immediate Relatives towards achieving compliance with the Regulations, adopting the minimum standards set out in Schedule B to the Regulations, without diluting the provisions of the Regulations in any manner.

### **COMPLIANCE OFFICER:**

The Board of the Company shall appoint the Company Secretary as the Compliance Officer to ensure compliance and for effective implementation of the Regulations and also this Code across the Company.

The Compliance Officer shall report to the Board of the Company and in particular, shall provide quarterly/half-yearly/annual reports to the Chairman of the Audit Committee.

The Company Secretary shall hold the position of the Compliance Officer so long as he/she remains the Company Secretary. In the event of the office of the Company Secretary falling vacant till such time a successor is appointed, the persons(s) responsible for the Company Secretary function shall, in the interim period act as the Compliance Officer.

In order to discharge his/her functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his/her function. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents, relating but not limited to, the Securities of the Company.

The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

### **ROLE & DUTIES OF THE COMPLIANCE OFFICER:**

The Compliance Officer shall be responsible for:

- setting forth policies in relation to the implementation of the Code and the Regulations in consultation with the Board/Audit Committee, as the case may be.

- ▢ prescribing procedures for various activities referred to in the Code.
- ▢ compliance with the policies and procedures referred herein above.
- ▢ monitoring adherence to the provision for preservation of UPSI.
- ▢ Identify the persons who shall be regarded as Designated Persons to be covered by the Code, including those mentioned under Regulation 9(4), on the basis of their role and function in the organization including access to UPSI by virtue of that role and function in addition to seniority and professional designation.
- ▢ grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
- ▢ implementation of this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.

The Board shall ensure and authorize the Compliance Officer to maintain a structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. This database shall be maintained (see **Annexure 1A** for data to be collected from Designated Person) with adequate internal controls and checks such as time stamping and audit trails to ensure non- tampering of the database.

The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the Regulations and this Code.

The Compliance Officer shall place status reports before the Chairman of the Audit Committee, detailing Trading in the Securities by the Designated Persons and their Immediate Relatives along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code on a [quarterly/half- yearly/annual] basis.

In the event that the Compliance Officer is privy to any UPSI, any pre- clearance for Trading in Securities will be provided by the Chief Executive Officer & Managing Director.

### **HANDLING OF UPSI**

#### **Preservation and Sharing of Unpublished Price Sensitive Information:**

Designated Persons shall maintain the confidentiality of all UPSI coming into their possession or control.

To comply with this confidentiality obligation, the Designated Persons shall not:

- (i) communicate, provide or allow access of UPSI to any person directly or indirectly, including by way of making a recommendation for the purchase or sale of Securities of the Company unless such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; or
- (ii) discuss UPSI in public areas, or
- (iii) disclose UPSI to any Employee who does not *need to know* the information except for the furtherance of legitimate purpose, performance of duties or for discharging of legal obligations, or
- (iv) recommend to anyone that they may undertake Trading in Securities of the Company while being in possession, control or knowledge of UPSI, or
- (v) be seen or perceived to be Trading in Securities of the Company while in possession of UPSI.

**Need to know:**

The Designated Persons who are privy to UPSI, shall handle the same strictly on a “*Need to Know*” basis. This means the UPSI shall be disclosed only to those persons who need to know the same in furtherance of a legitimate purpose, the course of performance or discharge of their duty and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

**Legitimate Purpose:**

The term “*legitimate purpose*” 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 has not been carried out to evade or circumvent the prohibitions of the Regulations.

**Limited access to confidential information:**

Designated Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:

- files containing confidential information shall be kept secure.
- computer files must have adequate security of login through a password.
- follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology function.

**List of Employees-**

The Compliance Officer shall maintain a list of Designated Persons or any other persons with whom UPSI is shared along with the purpose for which such information was shared.

### **CHINESE WALL**

To prevent the misuse of UPSI, the Company has adopted a “Chinese Wall” policy which separates those departments which routinely have access to UPSI, considered “inside areas” from those departments which deal with sale/marketing / the investment/finance/ treasury / etc and or other departments providing services, considered “public areas”.

As per the said policy:

- ▮ The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- ▮ The Employees in the inside area may be physically separated from the Employees in public area.
- ▮ The demarcation of various departments as inside area shall be decided by the Board in consultation with Compliance Officer.
- ▮ Only in exceptional circumstances, Employees from the public areas are brought “over the wall” and given UPSI for the furtherance of legitimate purposes and on the basis of “need to know” criteria, after providing prior written intimation to the Compliance Officer.

### **TRADING WINDOW:**

Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for Trading in the Securities of the Company.

Unless otherwise specified by the Compliance Officer, the Trading Window for Trading in Securities of the Company shall be closed for the Designated Persons and their Immediate Relatives when the Compliance Officer determines that a Designated Person or class of Designated Persons are reasonably expected to have possession of UPSI, including but not limited to the following purposes-

- (a) declaration of financial results,
- (b) declaration of dividends,
- (c) change in capital structure,
- (d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions, and
- (e) changes in key managerial personnel.
- (f) such other information as determined by the Board of Directors/Managing Director/ Compliance



Officer/Chief Financial Officer from time to time.

In respect of declaration of financial results, the Trading Window shall remain closed from the end of the respective quarter, half-year, or financial year, as the case may be, till 48 hours after the declaration of the financial results.

As regards declaration of dividend and other matters referred to in (c) to (e) above or any other matters as the Board or MD/CEO decide then, the Managing Director/ Chief Executive Officer shall, well before initiation of such activity/ project, form a core team of Employees who would work on such assignment. The Managing Director/ Chief Executive Officer shall also designate a senior Employee who would be in-charge of the project. Such team members will execute an undertaking not to deal in the Securities of the Company till the UPSI regarding the activity /project is made generally available or the activity/project is abandoned and the Trading Window would be regarded as closed for them. Such core team may share information related to the activity/project with any Designated Person only for the furtherance of legitimate purposes and on a need-to-know basis for any advice or guidance required from such Connected Person, provided that such person is bound by confidentiality and undertake not to breach the Regulations. Further, where the activity/project relates to a listed company, the name of such listed company will be deemed to be included in the "restricted list" which is confidentially maintained by the Compliance Officer. The Compliance Officer shall use the restricted list as the basis for approving or rejecting applications for pre-trading.

The Trading Window shall be opened 48 (Forty-Eight) hours after the information referred to above becomes generally available. The gap between clearance of accounts by audit committee and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

All the Designated Persons shall strictly conduct all their Trading in the Securities of the Company only when the Trading Window is open and no Designated Person or their Immediate Relatives shall trade in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time-to-time.

The Trading Window restrictions as referred above shall not apply in respect of:

- a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to Regulation 4(1) of the Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the Regulations;
- b) transactions which are undertaken in accordance with SEBI Regulations such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer.

### **PRE-CLEARANCE OF DEALS IN SECURITIES:**

#### **Applicability:**

Every Designated Person shall obtain a *pre-trading* approval as per the procedure prescribed hereunder for any Trading in the Securities of the Company proposed to be undertaken by such Designated Person / his /

her Immediate Relatives. Such *pre-trading* approval would be necessary, only if the cumulative trading (including trading in derivatives of Securities, if permitted by law) 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.

**Pre-trading Procedure:**

For the purpose of obtaining a *pre-trading* approval, the concerned Designated Person shall make an application in the prescribed form to the Compliance Officer. (The Compliance Officer should submit his/her application for *pre-trading* approval to the Managing Director/Chief Executive Officer.) Such application should be complete and correct in all respects and should be accompanied by such undertakings and declaration indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for *pre-trading* approval with enclosures may preferably be sent through electronic mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to the address specifically dedicated for this purpose i.e. (Company email id)

No Designated Person shall apply for *pre-trading* approval if such person is in possession of UPSI, even if the Trading Window is not closed.

**Approval:**

- (a) The Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same Trading Day but not later than the next Trading Day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection may preferably be conveyed through electronic mail and if no such approval / intimation of rejection is received within a period of 2 (two) Trading Days, the applicant can presume that the approval is deemed to be given. While considering the application, the Compliance Officer shall have due regard to whether the declaration provided is reasonably capable of being rendered inaccurate.
- (b) Every approval letter shall be issued in such format as may be prescribed by the Company from time-to-time. Every approval shall be dated and shall be valid for a period of 7 (seven) Trading Days from the date of approval.
- (c) In the absence of the Compliance Officer due to leave etc., the Employee designated by him/her from time-to-time, not being below - one level below the CFO and part of the Finance or Compliance Department shall discharge the function referred to in (a) above.

**Completion of Pre-cleared Trading:**

- (a) All the Designated Persons shall ensure that they / their Immediate Relatives complete execution of every pre-cleared deal in the Company's Securities as prescribed above no later than 7 (seven) Trading Days from the date of the approval. The Designated Person shall file within 2 (two) Trading Days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed.
- (b) If a deal is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person shall make a fresh application, once again to the Compliance Officer for *pre clearance* of the transaction covered under the said

approval.

**Trading Plans:**

The Regulations recognize the concept of Trading Plans. Any Designated Person intending to formulate a Trading Plan shall consult the Compliance Officer to discuss the applicable rules and procedure. The Compliance Officer shall only approve a Trading Plan in accordance with the applicable provisions of the Regulations.

**Opposite transactions / Contra trade in the Securities:**

The Designated Persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction or contra trade i.e. sell or buy, as the case may be, any number of the Securities of the Company.

The Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in writing in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale will be permitted when the Trading Window is closed.

Notwithstanding the above, should the Designated Persons execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.

Provided that this restriction will not be applicable for trades conducted, pursuant to the exercise of stock options.

**Advice regarding Pre-Clearance:**

In case of doubt, the Designated Person shall check with the Compliance Officer or the Officer designated by him/her from time-to-time whether the provisions relating to *pre-clearance* are applicable to any proposed transaction in the Company's Securities.

**REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:**

- (a) Every Promoter or Member of the Promoter Group, Key Managerial Personnel (KMP) , Director and Designated Person (as and when identified by the Board) of the Company shall disclose their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer within 30 (thirty) days of the Regulations taking effect or forthwith on being identified as a Designated Person, as the case may be, in prescribed format.
- (b) Every person on appointment as a KMP or a Director of the Company or upon becoming a Promoter or Member of the Promoter Group of the Company or on being identified as a Designated Person, shall disclose their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) as on the date of appointment as

a KMP or a Director or becoming a Promoter or Member of the Promoter Group or identification as a Designated Person, to the Company within 7 (seven) days of such appointment as a KMP or a Director or becoming a Promoter or Member of the Promoter Group or on being identified as a Designated Person, as the case may be, in prescribed format.

- (c) Every Promoter, Member of the Promoter Group, KMP, Director and Designated Person of the Company shall disclose annual statements of their holding, and the holding of their Immediate\_Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer as on 31<sup>st</sup> March every year in such form and manner as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted by 15<sup>th</sup> April every year.
- (d) Every Promoter, Member of the Promoter Group, Director and Designated Person of the Company shall disclose in prescribed format to the Compliance Officer the number of such Securities (including derivatives) of the Company acquired or disposed by them or their Immediate Relatives and by any other person for whom such person takes trading decisions, within 2 (two) Trading Days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakhs or such other value as may be specified. The Company shall notify the particulars of such trading to the stock exchange on which its Securities are listed within 2 (two) Trading Days of receipt of disclosure or from becoming aware of such information.

The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof. The Company may, at its discretion, prescribe additional obligations for any other Connected Persons or a class of Connected Persons to make disclosures of holdings and trading in Securities (including the form and frequency).

*\*The Board in consultation with the Compliance Officer can recognise/ identify any individual/Firm as a Connected Person and can enter their name in SDD, if it has reasons to believe so. Such Connected person needs to furnish the disclosure of his/her holdings of Company's securities to the Compliance Officer within 7 days of the such identification.*

### **INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING:**

The Chief Executive Officer or Managing Director of the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent insider trading.

The internal controls include the following:

- a) all employees who have access to UPSI shall be identified as Designated Persons;
- b) all UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the Code and Regulations;
- c) adequate restrictions shall be placed on communication or procurement of UPSI as required by the Code;
- d) lists of all employees and other persons with whom UPSI is shared shall be maintained in the digital database 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 Code shall be complied with;
- f) periodic process review, on an annual basis shall be conducted by the Internal Audit Team of the Company to evaluate the effectiveness of internal controls in place.

The Board shall ensure that the Chief Executive Officer or the Managing Director ensures compliance with Regulation 9(1) and 9(2) and Regulation 9A (1) and (2).

The Audit Committee of the Company shall review compliance with the provisions of the Regulations, at least once in a financial year, on the basis of the Internal Audit Report presented and shall verify that the systems for internal control are adequate and are operating effectively.

Policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI, has been formulated by the Company and duly approved by Board. Accordingly, the Ethics Counsellor and/Chairman of Audit Committee of the Company shall initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and promptly inform SEBI.

The Company shall have a whistle-blower policy which shall be available on the website of the Company. The Company shall also take steps to create awareness amongst its employees to enable them to report instances of leak of any UPSI.

If an inquiry is initiated by the Company in case of reported leakage of UPSI or suspected leak of UPSI, the Intermediaries and Fiduciaries engaged by the Company shall be duty bound to co-operate with the Company in connection with such inquiry conducted by the Company.

### ***PROTECTION AGAINST RETALIATION AND VICTIMIZATION:***

The Regulations provide for voluntary submission by an individual including an employee of the Company (as defined in Explanation 1 to Regulation 7I of the Regulations) directly to SEBI, in the manner prescribed under the said Amendment Regulations of an alleged violation of insider trading laws that has occurred, is occurring or about to occur.

No unfair treatment such as discharge, termination, demotion, suspension, threats, harassment or discrimination will be meted out to an employee directly or indirectly by virtue of such employee making a voluntary submission as above, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Regulations, by reason of:

- a) filing a Voluntary Information Disclosure Form with SEBI;
- b) testifying in, participating in, 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 solely to prevent any employee from cooperating with SEBI in any manner.

### **PENALTY FOR CONTRAVENTION:**

Every Director, Promoter, member of Promoter Group and Designated Person shall be individually responsible for complying with the applicable provisions of this Code (including to the extent the provisions hereof are applicable to their Immediate Relatives).

The persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action, which in respect of an Employee of the

Company may include wage freeze, suspension, recovery, claw back or termination of employment.

Action taken by the Company for violation of the Regulations and the Code against any person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.

Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty which shall not be less than `10 lakhs but which may extend to `25 crores or three times the amount of profits made out of insider trading, whichever is higher.

Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine, which may extend to twenty- five crore rupees or with both. Further, in case any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both. An extract of Sections 15G and 24 is given in Appendix B.

In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any person, he/she shall forthwith inform the Audit Committee of the Company about the violation. The penal action will be initiated on obtaining suitable directions from the Audit Committee in consultation with Board. The Compliance Officer, on behalf of the Company, shall simultaneously inform SEBI about such violation in standardized format as prescribed by SEBI from time to time. The person, against whom information has been furnished by the Company/Compliance Officer to SEBI for violations of the Regulations/Code, shall provide all information and render necessary co- operation as may be required by the Company/Compliance Officer or SEBI in this connection.

The Compliance Officer shall also maintain a database of the violation of the Code by Designated Persons and immediate relatives of Designated Persons that would entail initiation of appropriate action against them.

The Compliance Officer shall always abide by the provisions of the Regulations and the Code.

Where there is a violation by the Compliance Officer, the Chief Executive Officer or the Managing Director of the Company shall perform the functions of the Compliance Officer.

### **CLARIFICATIONS:**

For all queries concerning this Code, please contact the Compliance Officer.

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