

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND DETERMINATION OF LEGITIMATE PURPOSES**

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In pursuance to the Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("**Insider Trading Regulations**"), the board of directors of every listed company is required to formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information.

In this regard, Clean Max Enviro Energy Solutions Limited ("**Company**") has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Code**") which has been approved by the board of directors of the Company ("**Board**") at its meeting held on 14 August 2025.

This Code shall come into force with effect from the date on which the Board approves this Code.

Words and expressions used and not defined in this Code shall have the meaning ascribed to them in the Insider Trading Regulations, and rules and regulations made thereunder, and/or any other applicable law or regulation to the extent applicable to the Company, as amended from time to time. In case of any discrepancy between the Insider Trading Regulations and the terms defined herein, the meaning as ascribed under the Insider Trading Regulations shall prevail.

### **Unpublished Price Sensitive Information**

- i. The Company shall promptly disclose any unpublished price sensitive information ("**UPSI**") that is likely to impact price discovery, upon the availability of credible and concrete information. Such disclosure shall be made in a fair and transparent manner, ensuring such information is generally available.
- ii. The Company shall ensure that the UPSI is uniform, universally disseminated and due care is taken to avoid selective disclosure.
- iii. In case, the UPSI gets disclosed selectively, either inadvertently or otherwise, the Company shall take prompt steps to make such information generally available.

### **Designation and Role of Chief Investor Relations Officer**

- i. The Chief Financial Officer ("**CFO**") of the Company or another senior official nominated by the Company from time to time, shall be the Chief Investor Relations Officer ("**CIRO**") for the purpose of this Code. The CIRO shall be responsible for the dissemination of information, disclosure of UPSI and responding to queries on news reports and requests for verification of market rumours by regulatory authorities.
- ii. In the temporary absence of the CIRO for any reason, the managing director ("**MD**")/ whole time director ("**WTD**")/chief executive officer ("**CEO**") of the Company shall nominate any other official of the Company to be responsible for the dissemination of information and disclosure of UPSI.

### **General Obligations for Preservation and Disclosure of UPSI**

- i. All UPSI shall be handled on a need-to-know basis, and in accordance with the provisions of the Insider Trading Regulations and any other applicable codes, policies and procedures of the Company.
- ii. It is clarified that information to be termed UPSI, shall be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in securities. For the purpose of disclosure, the CIRO may consult such officials within the Company to ensure the correctness and credibility of the UPSI. The CIRO shall authorise the disclosure or dissemination of UPSI (1) by way of intimation to the stock exchange(s), such that further disclosure can be made on the stock exchanges' website(s); (2) on the official website of the Company to ensure official confirmation and documentation; and (3) in any other manner as decided by the CIRO to facilitate the uniform and universal dissemination of UPSI.
- iii. All communications of UPSI with the stock exchange(s) shall be approved by the CIRO and communicated through appropriate personnel under his direction.
- iv. The CIRO shall be responsible for reviewing the content of UPSI to be posted on the Company's website under this Code. The CIRO shall issue appropriate directions for the publication of the same. No other person shall be authorized to post any UPSI in the absence of any directions from the CIRO.

- v. Any disclosure/ dissemination of UPSI shall be approved in advance by the CIRO. In the event of an accidental disclosure without prior approval, regardless of whether the information is price sensitive or not, the responsible person shall immediately inform the CIRO. The CIRO shall take all reasonable steps to rectify the same.

#### **Sharing of Information with Analysts and Research Personnel**

- i. The Company shall ensure that any information shared with analyst and research personnel is not UPSI and is generally available. Alternatively, the information shared above shall simultaneously be made public.
- ii. The CIRO shall also develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made.

#### **Responding to Market Rumours**

The CIRO shall ensure that appropriate and fair responses are provided to queries on news reports and requests for verification of market rumours by regulatory authorities. In case a query/request has been received from any stock exchange, a copy of such reply shall be sent to other stock exchange(s) as well, where securities of the Company are listed, if any.

#### **Disclosure**

This Code and every amendment hereto, shall be promptly intimated to the National Stock Exchange of India Limited and the BSE Limited, where the Company's securities are listed.

#### **Code Review and Amendments**

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code shall be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time, provided notice of such amendment is given to the stock exchange(s) where the securities of the Company are listed. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.

#### **Legitimate Purpose**

The UPSI may be shared by an insider for legitimate purposes as per the Company's 'Policy for Determination of Legitimate Purposes' (annexed as Annexure A to this Code), provided that such sharing of UPSI has not been carried out to evade or circumvent the prohibitions of these regulations.

The 'Policy and Procedure for Inquiry in Case of Leak/ Suspected Leak of Unpublished Price Sensitive Information' is annexed as Annexure B to this Code.

The 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate relatives of Designated Persons' is annexed as Annexure C to this Code.

## Annexure A Policy for Determination of Legitimate Purposes

### Introduction

This Policy for Determination of Legitimate Purposes (“**Policy**”) is formulated in accordance with Regulation 3(2A) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“**Insider Trading Regulations**”).

This Policy shall come into force with effect from the date on which the Board approves this Policy.

### Objective

The objective of this Policy is to identify legitimate purposes for performance of duties or discharge of legal obligations, which shall be considered as an exception for procuring unpublished price sensitive information (“**UPSI**”) relating to Clean Max Enviro Energy Solutions Limited (“**Company**”) (“**Legitimate Purpose**”). The assessment of whether sharing of UPSI for a particular instance would tantamount to Legitimate Purpose, shall be determined by the Compliance Officer depending on the specific facts and circumstances of each case. Accordingly, this Policy sets out the principles to assess whether the purpose for which UPSI is proposed to be shared may be considered as Legitimate Purpose.

Primarily, the following factors should be considered to determine Legitimate Purpose:

- a. Whether sharing of such information is in the ordinary course of business of the Company;
- b. Whether information is sought to be shared to evade or circumvent the prohibitions under the Insider Trading Regulations;
- c. Whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- d. Whether the information is required to be shared for enabling the Company to discharge its legal and/or contractual obligations; and/or
- e. Whether the nature of information being shared is commensurate to the purpose for which access it is sought to be provided to the recipient.

It is clarified that in the event there exist multiple purposes for sharing UPSI, each purpose will be evaluated on its own merits, in line with the aforementioned principles.

In addition to the above, the authorised officer shall keep in mind the following factors:

- (a) Information shall be intended to be available only for Legitimate Purposes and not for the personal benefit of anyone;
- (b) If there are two purposes for which the UPSI is being shared i.e. one being Legitimate Purpose, and the other being illegal or merely for the purpose of personal benefit of anyone, the existence of the Legitimate Purpose shall not ‘sanitize’ the illegitimate ones;
- (c) The concept of Legitimate Purpose is best referenced in the negative i.e. where it is not for an illegitimate purpose (such as the misuse of such information for personal gain or illegal profit).
- (d) In any event where the authorised officer contemplates multiple purposes for selective sharing of UPSI, each purpose shall be evaluated on its own merits, in line with the principles set out herein.

### Digital Database

A structured digital database shall be maintained containing the nature of UPSI, and the names of such persons or entities with whom information is shared or who has shared such information along with their Permanent Account Number (“**PAN**”) or any other identifier authorized by law where PAN is not available. Such databases shall be maintained with adequate internal controls and checks including, but not limited to time stamping and audit trails to ensure non-tampering of the database. This digital database shall be preserved for a period of not less than eight (8) years after completion of the relevant transactions.

### **Request for Determination of Legitimate Purpose and Sharing of UPSI**

The request for determination of Legitimate Purpose and sharing of UPSI shall clearly specify the following:

- (a) Brief particulars of the assignment for which UPSI is sought to be shared;
- (b) Nature and brief details of UPSI sought to be shared; and
- (c) Rationale for sharing of UPSI.

The above request shall also be accompanied with following details of all persons, whether natural or legal, with whom the UPSI is intended to be shared:

- (a) Name of the natural / legal person or entity;
- (b) In case of a legal person or entity, names of the natural persons with whom such UPSI will be shared;
- (c) Correspondence address of the entity and natural persons;
- (d) E-mail addresses of the entity and natural persons;
- (e) PAN of the entity and natural persons;
- (f) In absence of PAN, the Aadhaar number of the entity and natural person;
- (g) Contact numbers [mobile (mandatory) and landline (mandatory, for legal person)] of the entity and natural persons;
- (h) Power of attorney / authority document authorising a natural person to act on behalf of the relevant legal person; and
- (i) Such other documents / information as may be deemed necessary, by the authorised officer.

The requesting employee shall be responsible to ascertain the veracity of above details and update / refresh the list from time to time.

In case the requesting employee is the authorised officer, determination of Legitimate Purpose and sharing of UPSI shall be approved by the Managing Director (“MD”) and Chief Executive Officer (“CEO”) of the Company.

### **Serving of Notice and Execution of Non-Disclosure Agreements**

A due notice shall be served to every person prior to sharing any UPSI with them, in the format prescribed in Annexure I-A. This notice shall clearly communicate the nature of the information being disclosed and inform the recipient of the liabilities in the event of misuse or unauthorised disclosure / leakage of such information.

In exceptional circumstances, the authorised officer shall require the execution of an Non-Disclosure Agreement (“NDA”) with any person, with whom UPSI is being shared for Legitimate Purpose, prior to sharing such UPSI. In case of a legal person / entity, an NDA shall be executed only with such legal person / entity and it must explicitly mention that that such legal person / entity shall be responsible to maintain the confidentiality of the such shared UPSI until it is made generally available by the Company, or any judicial, quasi-judicial, or regulatory authority.

The NDA shall also state that the legal person / entity shall be liable to indemnify the Company for any loss suffered due to leakage of such UPSI, whether shared by its employees, consultants, affiliates, associates, or any other person associated with the legal person / entity in any manner whatsoever, and such legal person / entity shall also be liable for punitive damages.

### **Sharing of Information**

Upon the determination of the Legitimate Purpose and approval of the sharing of information, the requested information shall be shared exclusively on a designated drive created for this purpose. Access to this drive shall be restricted to only those persons listed in the request submitted to the authorised officer.

In cases where the information in question is to be shared with external persons and the creation of a separate drive is not possible, such information shall be shared over e-mail, subject to the following controls:

- (a) The data files should be shared only on official e-mail addresses mentioned in the request given to the authorised officer;
- (b) The data files should be password protected;
- (c) The passwords to the data files should be sent either via a separate e-mail or through SMS to a registered mobile number;
- (d) The data files along with passwords shall be made available to the authorised officer whenever required; and
- (e) The names of data files should follow a standard naming convention in a manner that Legitimate Purpose should be identifiable in the file name.

In exceptional circumstances, the authorised officer may require creation of virtual data rooms (“VDR”) for sharing of UPSI.

#### **Creation of Virtual Data Room**

VDR may be created in certain exceptional cases as may be decided by the Authorised Officer.

Access to the VDR, if created, shall be given to only such natural persons mentioned in the list provided by the requesting employee, subject to following:

- (a) Each such natural person shall have a unique login-ID and password;
- (b) Only view rights shall be provided to all persons;
- (c) Download and print rights may be allowed to not more than three (3) persons per entity;
- (d) The data files in VDR shall follow standard naming convention in a manner that the Legitimate Purpose should be identifiable in the file name;
- (e) The data files placed in VDR shall be deleted within a period of two (2) months from completion of the Legitimate Purpose for which it was created and the requesting employee shall be responsible to ensure deletion of data files; and
- (f) In any scenario, the data files shall be placed in a VDR for a maximum period of one (1) year from initiation of such Legitimate Purpose.

#### **Restrictions on Communication and Trading by Insiders**

Any other person with whom UPSI is shared pursuant to Legitimate Purpose shall be considered as an insider for purpose of the Insider Trading Regulations (“**Insider**”). Prior due notice shall be given to such persons, requiring them to maintain confidentiality of such UPSI in accordance with the Insider Trading Regulations. The Company shall inform the recipient of UPSI, either through written intimation and/or contractual agreement, such as a confidentiality agreement, that (i) the information being shared constitutes UPSI and the Company is the exclusive owner of such UPSI; (ii) upon receipt of UPSI, the recipient shall be deemed to be an Insider and subject to the provisions of the Insider Trading Regulations; (iii) the recipient shall maintain confidentiality of the UPSI at all times; (iv) the recipient [shall] use the UPSI solely for the approved purposes for which it was disclosed; (v) the recipient shall provide a written undertaking that he shall not undertake trades in the securities of the Company while in possession of the UPSI, subject to applicable law; and (vi) the recipient shall extend co-operation with the Company, as may be required in this regard.

#### **Exceptions**

Any exceptions to these guidelines shall be approved by the board of directors of the Company (“**Board**”).

#### **Review**

These guidelines shall be subject to annual review by the audit committee of the Company.

## Annexure B

### **Policy and Procedure for Inquiry in Case of Leak/ Suspected Leak of Unpublished Price Sensitive Information**

#### **1. Background**

- (a) Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, as amended from time to time ("**Insider Trading Regulations**"), the board of directors of the Company ("**Board**") of Clean Max Enviro Solutions Limited ("**Company**") has formulated a policy and laid down the procedure for enquiry in case of any Leaks (as defined below) or suspected Leaks, of UPSI ("**Inquiry Policy**").
- (b) The Board acknowledges that any inquiry into a Leak or suspected Leak of UPSI must be customised to the facts and circumstances of each such case. Given this variability, it is not viable to prescribe a uniform standard operating procedure that shall be applicable to every instance of leak/ suspected leak of UPSI. Thus, it is important to keep the inquiry process dynamic, ensuring that all relevant aspects of each case are appropriately examined.
- (c) In view of the above, this Inquiry Policy sets out the broad principles that the Board shall follow for the purposes of examining any case of Leak or suspected Leak of UPSI. It is clarified that an inquiry in case of a Leak or suspected Leak of UPSI may be undertaken through various modes, provided that it shall adhere to the key standards, as set out below.

#### **2. Definitions**

- (a) "**Inquiry Committee**" shall mean the committee constituted by the Board to inquire and investigate instances, allegations or suspicions of a leak, in accordance with the principles laid down in this Inquiry Policy.
- (b) "**Leak**" shall mean the dissemination of any UPSI by any Insider, employee, designated person, any connected person, or any other person in possession of UPSI, to any person other than those persons authorized by the Board or the Compliance Officer to handle UPSI in accordance with the Insider Trading Regulations, and the term "**Leaked**" shall be construed accordingly.
- (c) "**Unpublished Price Sensitive Information**" or "**UPSI**" shall have the meaning as ascribed to it under the policy for prevention of insider trading in terms of the Insider Trading Regulations.

*Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the Insider Trading Regulations, and rules and regulations made thereunder, and/or any other applicable law or regulation to the extent applicable to the Company, as amended from time to time.. In case of any discrepancy between the Insider Trading Regulations and the terms defined herein, the meaning as ascribed under the Insider Trading Regulations shall prevail.*

- 3. The Inquiry Policy shall come into force with effect from the date on which the Board approves this Inquiry Policy.

#### **4. Procedure for inquiry in case of a Leak/ suspected Leak**

- (a) Upon becoming aware of any Leak or any allegations or suspicions of a Leak, including, by way of:
  - (i) communication received from regulatory authorities; or
  - (ii) a written complaint and/or email received from a whistle-blower; or
  - (iii) Company's own / internal monitoring, etc.

the Board shall, in consultation with [the Compliance Officer], evaluate and determine whether the matter merits or requires any inquiry or investigation. It is clarified that market rumours, inferences based on media reports, or observations made by analysts, etc. shall not be the only determining factors for initiating a preliminary inquiry. The Board shall, in consultation with [the Compliance Officer], have the discretion to decide if a preliminary inquiry is required to be undertaken, in each such case.



- (b) In the event the Board decides that the matter warrants an investigation, it shall promptly constitute an Inquiry Committee, comprising such persons as the Board deems fit, to undertake a fact-finding exercise in the matter (“**Inquiry**”).
- (c) As an initial step, the Inquiry Committee shall undertake a preliminary investigation and analyse the accuracy of the allegation/ suspicion of Leak (“**Initial Assessment**”) by taking all the necessary steps, including but not limited to, the following:
  - (i) assessing the source and type of complaint/ allegation/ suspicion;
  - (ii) assessing the nature of Leak/ suspected Leak, in order to determine the scope of investigation, the parties who had access to the UPSI and the manner in which it could have been Leaked; and
  - (iii) conducting interviews with the complainant, in the event his/ her identity is known, and other relevant stakeholders, in connection with the matter.
- (d) On the basis of the outcome of the Initial Assessment, the Inquiry Committee shall determine if:
  - (i) the allegation or suspicion is frivolous, and requires no further action; or
  - (ii) the matter requires further internal diligence and investigation.

The Inquiry Committee shall report its findings to the Board along with a summary of the process followed, its recommendations and reasons thereof. Based on the report and recommendations of the Inquiry Committee, the Board shall discuss and decide if the matter requires to be investigated further.

- (e) If the Board requires the Inquiry Committee to undertake a detailed investigation, the Inquiry Committee shall conduct the Inquiry and take all requisite steps, including but not limited to, the following:
  - (i) identifying the medium through which the leaked UPSI was disclosed /communicated;
  - (ii) conducting a confidential investigation into the activities of the persons that typically had knowledge of, or handled the UPSI in question. The investigation shall be carried out in a non-intrusive manner, involving review of the relevant documents, audit trails, and conducting interviews, wherever deemed necessary;
  - (iii) appointing external advisors/ professionals to assist in the conduct of Inquiry; and
  - (iv) reviewing the internal controls and measures implemented by the Company to identify deficiencies, based on which, appropriate recommendations shall be made to the mitigate such deficiencies.
- (f) The Inquiry Committee shall ensure that the details in relation to the Inquiry, including the Initial Assessment, are shared within and outside the Company strictly on a need-to-know basis. In cases where the Inquiry has been initiated based on a complaint from a whistle-blower, the Inquiry Committee shall keep the identity of the whistle-blower confidential.
- (g) In the conduct of Inquiry, the Inquiry Committee shall have due regard to the principles of natural justice, and shall provide an opportunity of being heard and making submissions, etc., to the persons against whom allegations of Leak have been levelled. The Inquiry Committee shall be required to consider the same while arriving at its conclusions.
- (h) Once the Inquiry is concluded:
  - (i) the Inquiry Committee shall intimate the Board of its findings, along with a summary of the process followed while conducting the investigation;

- (ii) if the Inquiry Committee is of the opinion that a Leak has occurred, and identifies the person responsible for, or involved in the Leak, it shall make appropriate recommendations to the Board for the actions to be taken in that regard. Such recommendations may include (while not being limited to) disciplinary actions such as dismissal, wage freeze, suspension, recovery, claw-back and ineligibility for future participation in employee stock option plans;
  - (iii) the Board shall take disciplinary and penal action and any other steps it may deem necessary, against the persons identified as being responsible for, or involved in, the Leak. It is clarified that any action taken by the SEBI for violation of the Insider Trading Regulations and any other applicable law shall not preclude the Board from taking any disciplinary action in accordance with the recommendations of the Inquiry Committee.
  - (iv) The Inquiry Committee shall strive to conclude the Inquiry within 30 working days from its commencement. It is clarified that the period for conclusion of the Inquiry may be extended with the prior permission of the Board, if the circumstances so require.
- (i) The Board shall also inform SEBI of the outcome of the Inquiry and the steps taken by the Board in that regard.

The Inquiry 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 and whistle-blower policy of the Company.



## Annexure C

### Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons

#### Introduction

Pursuant to Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“**Insider Trading Regulations**”), Clean Max Enviro Solutions Limited (“**Company**”) has adopted the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (“**Code**”), as approved by the board of directors of the Company (“**Board**”) at its meeting held on 14 August 2025.

As a part of the annual review of the Code and to align the Code with the applicable amendments to Insider Trading Regulations, a revised Code has been framed for adoption by the Board thereby incorporating the necessary changes. The said Code shall supersede the earlier Code(s) and shall come into force with immediate effect upon the approval of the Board.

#### I. Definitions

(a) “**Compliance Officer**” shall mean the Company Secretary of the Company, and in his absence, any senior officer, who is financially literate and is designated as such by the Board or the Chairman of the Company, to administer this Code and other requirements under the Insider Trading Regulations.

(b) “**Designated Person**” shall mean such persons or individuals designated by the Board / Chairman / Managing Director (“**MD**”) / Chief Executive Officer (“**CEO**”) in consultation with the Chief Financial Officer (“**CFO**”) and Compliance Officer. Such designation shall be on the basis of their role and function in the Company, the level of access such role entails to Unpublished Price Sensitive Information (“**UPSI**”), along with factors such as seniority and professional designation. A Designated Person shall include:

- i. All promoters;
- ii. MD and employees up to two levels below MD of the Company and its material subsidiaries, if any;
- iii. Staff/employees of the Company, in Finance, MIS, IT, Secretarial and other teams, who have or may have access to UPSI, as may be named by MD, in consultation with CEO and Compliance Officer;
- iv. Employees/persons as may be named by the material subsidiaries, if any, intermediaries, fiduciaries as Designated Persons for the above purposes; and
- v. Any other person(s), as may be jointly decided by the MD/ CFO/ Compliance Officer, who have or may have access to UPSI of the Company.

(c) “**Fiduciaries**” shall mean professional firms, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the Company.

(d) “**Immediate relative**” shall mean 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. Accordingly, it is important that:

- The PAN and/or other unique identifiers of the spouse of every Designated Person are also captured and monitored for securities trading activities.
- This ensures that the timing, pattern, and quantum of trades undertaken by immediate relatives do not give rise to suspicion of being based on Unpublished Price Sensitive Information (UPSI).
- Monitoring should cover trades executed directly or indirectly through joint accounts, portfolio management services, or other arrangements to detect any potential windfall gains attributable to UPSI access.

(e) **“Informant”** shall mean an individual who voluntarily submits to the SEBI, a Voluntary Information Disclosure form relating to an alleged violation of Insider Trading Regulations that has occurred, is occurring, or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.

(f) **“Insider”** shall mean any person who is:

- i. a connected person; or
- ii. in possession of or having access to UPSI.

(g) **“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 these regulations.

(h) **“Original Information”** shall mean any relevant information submitted in accordance with these regulations pertaining to any violation of Insider Trading Regulations that is:

- i. derived from the independent knowledge and analysis of the Informant;
- ii. not known to SEBI from any other source, except where the Informant is the original source of the information;
- iii. is sufficiently specific, credible and timely to (1) commence an examination or inquiry or audit, (2) assist in an ongoing examination or investigation or inquiry or audit, (3) open or re-open an investigation or inquiry, or (4) inquire into a different conduct as part of an ongoing examination or investigation or inquiry or audit directed by the Board;
- iv. not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information; and
- v. not irrelevant or frivolous or vexatious.

Explanation : Information that does not, in the opinion of the Board, add to the information already possessed by the Board, shall not be considered Original Information.

(i) **“SEBI”** shall mean the Securities and Exchange Board of India.

(j) **“Securities”** as per Insider Trading Regulations shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) (**“SCRA”**) or any modification thereof.

Securities under the SCRA means:

- i. shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or a pooled investment vehicle or other body corporate;
- ii. derivative;
- iii. units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- iv. security receipt as defined in clause (zg) of Section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- vi. units or any other such instrument issued to the investors under any mutual fund scheme;

Explanation : For the removal of doubts, it is hereby declared that "securities" shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a combined benefit risk on the life of the persons and investment by such persons and issued by an insurer referred to in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938);

- vii. units or any other instrument issued by any pooled investment vehicle;  
any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;
- v. Government securities;
- vi. such other instruments as may be declared by the Central Government to be securities; and
- vii. rights or interest in securities.

(k) **“Trading”** or **“Trade”** shall mean and includes subscribing and buying, selling or agreeing to subscribe, buy, sell, deed in any securities.

(l) **“Trading Day”** shall mean a day on which the recognised stock exchanges are open for Trading;

(m) **“Unpublished Price Sensitive Information / UPSI”** shall means any information, related to the 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 include but shall not be restricted to, information related to the following:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, de-mergers, acquisitions, de-listings, disposals and expansion of; and
- v. changes in key managerial personnel.

(n) **“Voluntarily Providing Information”** or **“Voluntary Information Disclosure”** means providing the Board with information before receiving any request, inquiry or demand from the Board, any other central or State Authorities or other Statutory Authority about a matter, to which the information is relevant.

(o) Words and expressions used and not defined in this Code shall have the meaning ascribed to them in the Insider Trading Regulations, and rules and regulations made thereunder, and/or any other applicable law or regulation to the extent applicable to the Company, as amended from time to time.

## II. CODE

### 1. Reporting By the Compliance Officer

The Compliance Officer shall report to the Board and in particular, shall provide reports to the Chairman of the audit committee, if any, or to the Chairman of the Board, on a monthly basis or at such frequency as may be stipulated by the Board, but not less than once in a year.

### 2. Information on a Need-to-Know Basis and Chinese Wall Procedure

All information shall be handled within the Company on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the Legitimate Purpose, performance of duties or discharge of legal obligations.

To prevent the misuse of confidential information, the Company shall ensure the following:

- i. The employees who are privy or have access to UPSI shall at all times ensure confidentiality of the same and shall refrain from communicating the same with any persons except in furtherance of the Legitimate Purposes, performance of duties or discharge of legal obligations;
- ii. Information containing UPSI [shall] be shared through secured means;
- iii. To the extent possible, print outs of documents containing UPSI shall be avoided; and
- iv. Such other methods as may be adopted by the company to prevent any leak of such UPSI.

### 3. Designated Persons

Designated Persons and immediate relatives of Designated Persons in the Company shall be governed by this Code governing dealing in securities.

### 4. Trade Restrictions Periods

- i. Designated Persons shall execute Trades subject to compliance with the Insider Trading Regulations. To this effect, a notional Trading window shall be used as an instrument of monitoring Trading by Designated Persons. The Trading window shall be closed when the Compliance Officer determines that a Designated Person or a class of Designated Persons can reasonably be expected to have possession of UPSI. Designated Persons and their immediate relatives shall not Trade in securities when the Trading window is closed.

- ii. Trading restriction period shall be made applicable from the end of every quarter till forty-eight (48) hours after the declaration of financial results. The gap between clearance of accounts by audit committee and Board meeting shall be as narrow as possible and preferably on the same day, to avoid leakage of material information.
- iii. The Trading window restrictions shall not apply in respect of :
  - a. Transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub regulation (1) of Regulation 4 of the Insider Trading Regulations, and in respect of pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer (Form G) and compliance with the respective regulations made by the Board; and
  - b. Transactions which are undertaken in accordance with the respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to right issue, further public issue, preferential allotment or tendering of shares in buy-back offer, open offer or delisting offer.

Note : Transactions referred to in clause (i) to (iv) and (vi) of the proviso to sub regulation (1) of Regulation 4 of the Insider Trading Regulations refer broadly to the following:

- a) Off market inter-se transfer between insiders who were in possession of UPSI;
- b) Transactions carried out through block deal window mechanism between persons who were in possession with UPSI;
- c) Transactions carried out pursuant to statutory or regulatory obligation to carry out a bona fide transactions;
- d) Transactions carried out pursuant to the exercise of the stock options in respect of which the exercise price was predetermined with compliance with the applicable regulations; and
- e) Trades carried pursuant to a Trading plan in accordance with Regulation 5 of the Insider Trading Regulations.

## **5.Trading Window**

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

## **6.Pre-clearance and Trade :**

When the Trading window is open, Trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed Trades is above a threshold limit of INR 10,00,000/- (Rupees Ten Lakh only) in value over any calendar quarter, or such other limits as the Board stipulates.

## **7.Declaration before Pre-clearance**

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. The Compliance Officer shall also provide sufficient attention to check whether any such declaration is reasonably capable of being rendered inaccurate.

## **8.Execution after Pre-clearance**

The orders in respect of securities shall be executed within seven (7) Trading days after the approval is granted by the Compliance Officer, failing which a fresh pre-clearance shall be required for the Trades to be executed.

## 9. Contra Trades

A Designated Person and their immediate relatives, who are permitted to Trade shall not execute a contra Trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing, provided that such relaxation does not violate the Insider Trading Regulations. In the event, any such contra Trade is executed inadvertently or otherwise, in violation of such restrictions, the profit from such Trade shall be liable to be disgorged by the Company for remittances to SEBI for credit to the investor protection and education fund administered by SEBI under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”). Steps shall also be taken to recover the amount of profit earned by the concerned Designated Person by all available means. I

However, contra Trade restrictions shall not be applicable for Trade pursuant to exercise of stock options.

## 10. Transmission of Shares

Provisions of Trading window closure, pre-clearance and contra Trade are not applicable in case of transmission of securities in favour of Designated Persons. However, the norms relating to disclosure requirement shall be applicable.

## 11. Disclosure Responsibilities and Formats

This Code shall stipulate such formats as the Board deems necessary for making applications for pre-clearance, reporting of Trades executed, reporting of decisions not to Trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with the Insider Trading Regulations.

Disclosure requirements shall be as under:

### A. Initial disclosures of Trades

Every promotor, member of promotor group, key managerial personnel (“KMP”) and director of the Company shall disclose (as per Form A as provided under the Insider Trading Regulations) his holdings of securities in the Company to the Company, within thirty days of the Insider Trading Regulation taking effect.

Every person on appointment as a KMP or a director of the Company or upon becoming a promotor or member of the promotor group shall disclose (as per Form B as provided under the Insider Trading Regulations) his holding of securities of the Company as on the date of appointment or becoming a promotor or member of the promotor group, to the Company within seven (7) days of such appointment or becoming a promotor or member of the promotor group.

### B. Continual disclosure of Trades

Every promotor, member of promotor group, Designated Person, immediate relative, of the Designated Person and director of the Company shall disclose to the Company (as per Form C as provided under the Insider Trading Regulations) the number of such securities acquired or dispose of within two (2) 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 (10,00,000) rupees or such other value as may be specified;

The Company shall within the two (2) working days from the date of receipt of such disclosure, inform the stock exchanges particulars of such Trading, to the extent applicable.

### C. Disclosure of off market trades

Every Insider shall disclose the off-market Trades between Insiders (irrespective of any value) executed pursuant to Regulation 4(1)(i) of the Insider Trading Regulations within two working days (as per Form D as provided under the Insider Trading Regulations).

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the stock exchanges particulars of such Trading.

#### **D. Additional disclosure**

Other formats/ disclosures, to monitor compliance with the Insider Trading Regulations shall be as under:

- (a) Application -cum- undertaking for pre-clearance (as per Form E as provided under the Insider Trading Regulations)
- (b) Reporting of holdings in securities by Designated persons as on 31<sup>st</sup> March, on an annual basis by 10 April (as per Form F as provided under the Insider Trading Regulations)

#### **12. Particulars to be Disclosed by Designated Persons**

Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law to the Company on an annual basis, as and when the information changes for the following persons:

- (a) Immediate Relatives;
- (b) Persons with whom such Designated Persons shares a material financial relationship; and
- (c) 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 to the extent possible.

*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 Person during the immediately proceeding twelve months, equivalent to at least 25% (twenty five percent) of annual income of such Designated Persons, but shall exclude relationship in which the payment is based on arm’s length transactions.

#### **13. Process of Bringing People ‘Inside’ on Specific Transactions**

The Chairman of the Company shall decide in consultation with the Compliance Officer 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 liability that attaches to the misuse or unwarranted use of such information.

#### **14. Penalty for Contravention of the Code**

Without prejudice to the power of SEBI under the SEBI Act, the Chairman or any director of the Company authorised by the Board, shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, claw back, etc. for the contravention of the Code.

#### **15. Information to SEBI**

In case it is observed that there has been a violation of the Insider Trading Regulations, the Compliance Officer shall inform SEBI promptly.

#### **16. Applicability of the Insider Trading Regulations to Certain Persons**

The Insider Trading Regulations shall apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the company whether temporary or permanent have access, directly or indirectly, to UPSI or are reasonably expected to allow such access. They are advised to adhere to the Insider Trading Regulations strictly. In case it is observed by such persons that are required to formulate the Code under sub regulation (1) and sub regulation (2) of Regulation 9, that there has been a violation of the Insider Trading Regulations, they shall inform SEBI promptly, with a copy marked / sent to the Company as well.



## 17. Protection to Employees who are Informants

1. No Employee of the Company who has filed a Voluntary Information Disclosure form to SEBI alleging the violation of insider Trading norms shall be subjected to any discharge, termination, demotion, suspension, threats, harassment directly or indirectly or discrimination without the consent of the MD, and CEO or Chairman, irrespective of whether the information is considered or rejected by SEBI or he is eligible for a reward under the Insider Trading Regulations, by reasons of:

- (i) Filling a Voluntary Information Disclosure form under the Insider Trading Regulations;
- (ii) 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 Regulations or any manner aiding the enforcement action taken by SEBI; or
- (iii) Breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any Employee from co-operating with SEBI in any manner.

2. No employee of the Company shall be required to establish that:

- (i) SEBI has taken over any enforcement action in furtherance of information provided by him; or
- (ii) The information provided fulfills the criteria of being considered as an Original Information under the Insider Trading Regulations.

3. Employee /Informant shall not be prohibited from approaching the competent court or tribunal for appropriate relief if he believes that he has been subjected to retaliation or victimization of the Company.

4. The Company shall not require an Employee to notify it of any Voluntary Information Disclosure form filed with SEBI or to seek its prior permission or consent or guidance of any person engaged by the Company before or after such filing by way of an agreement or otherwise.

5. The Company in violation of the provisions shall be liable for penalty, debarment, suspension and/or criminal prosecutions by SEBI. SEBI, however, cannot direct reinstatement or compensation by the Company to the Employee.

For the purposes of this clause, the term “**Employee**” shall mean individuals who during employment may become privy to information relating to violation of Insider Trading Regulation and files a Voluntary Information Disclosure form under the Insider Trading Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

This Code is subject to review from time to time.