

COTEC HEALTHCARE LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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INTRODUCTION

Cotec Healthcare Limited has formulated a Code of Conduct for prevention of Insider Trading (**Code**), pursuant to SEBI (Prohibition of Insider Trading) Regulation, 2015, as amended, from time to time.

The capitalized terms referred herein, but not defined in the Code, shall have the meaning ascribed to them in the Insider Trading Regulations.

OBJECTIVE

The objective of this Code is to put in place a framework for prohibition of Insider Trading, to create awareness and provide guidance to the Insiders, Promoters, Directors and Designated Persons, Intermediaries and Fiduciaries for Trading in Securities of the Company.

I. DEFINITIONS

- a.** “**Act**” means the Securities and Exchange Board of India Act, 1992.
- b.** “**Audit Committee**” means the Committee constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modification(s) or re-enactment(s) thereof.
- c.** “**Board**” means the Board of Directors of the Company and includes the Executive/Authorisation Committee of the Board.
- d.** “**Company**” means Cotec Healthcare Limited.
- e.** “**Compliance officer**” means any senior officer, designated so, who is financially literate 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information (**UPSI**), monitoring of trades and the implementation of the codes specified in the regulations under the overall supervision of the Board.
- f.** “**Connected Person**” means any person who:
 - (i) any person who is or has, during the six months prior to the concerned act, been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company, whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be Connected Person unless the contrary is established-

- (a) an Immediate 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 of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- (h) an official or an employee of a self regulatory organization recognized or authorized by the Board; or
- (i) a banker of the company ; or
- (j) a concern, firm, trust, Hindu Undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than 10% of the holding or interest.

g. “Designated Persons” shall include:

- a. Chairman, Managing Director, Whole Time Directors and Chief Executive Officer;
- b. Other Directors on the Board of the Company;
- c. All Key Managerial Personnel and Senior Executives of the Company;
- d. Employees of the Company, intermediary or fiduciary designated on the basis of their functional role or access to UPSI;
- e. 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;
- f. All Promoters of the Company and promoters who are individuals or investment companies for intermediaries or fiduciaries;
- g. 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;
- h. Any support staff of the Company, intermediary or fiduciary such as IT staff or secretarial staff who have access to UPSI;
- i. Any person falling within the definition of the term “Connected Person”;
- j. Immediate Relative of the above.

h. “Director” means a member of the Board of Directors of the Company.

i. “Employee” means any person 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.
- l. **“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.
- m. **“Intermediary”** means an intermediary registered with SEBI.
- n. **“Insider”** means any person who is:
 - i) a Designated Persons; or
 - ii) in possession of or having access to Unpublished Price Sensitive Information
- o. **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013.
- p. **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereto.
- q. **“SEBI”** means Securities and Exchange Board of India.
- 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. **“Takeover regulations”** means the Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- t. **“Trading/Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company either as principal or agent.
- u. **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- v. **“Unpublished Price Sensitive Information”** 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 such other transactions;
 - v) changes in key managerial personnel.
- w. **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 and any amendments thereto.

II. COMMUNICATION OR PROCUREMENT OF UPSI

1. No Insider shall communicate, provide, or allow access to any UPSI, relating to the Company or Securities, listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations;
2. No person shall procure from or cause the communication by any Insider of Unpublished Price Sensitive Information, relating to the Company or its Securities listed or proposed to be listed, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations;
3. The Board of Directors of the Company have adopted a policy for determination of Legitimate Purposes as a part of “Codes of Fair Disclosure and Conduct”;
4. Any person in receipt of Unpublished Price Sensitive Information pursuant to a **“Legitimate Purpose”** shall be considered an “Insider” for purposes of the Regulations and due notice shall be given to such persons to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with the Regulations;

For the purpose of this clause, the term **“Legitimate Purposes”** shall include sharing of Unpublished Price Sensitive Information in the ordinary course of business by an Insider with promoters, promoter group, partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, or any other intermediary or fiduciary, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

5. Notwithstanding anything contained, an Unpublished Price Sensitive Information 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 Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the 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 Unpublished Price Sensitive Information.

6. **Structured Digital Database**

The Company shall maintain a Structured Digital Database 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 with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

III. **TRADING WHEN IN POSSESSION OF UPSI**

1 No Insider shall trade in Securities of the Company that are listed or proposed to be listed on a stock exchange when in possession of Unpublished Price Sensitive Information:

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

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 Unpublished Price Sensitive Information without being in breach of regulation 3 of Regulations and both parties had made a conscious and informed trade decision;

Provided that such Unpublished Price Sensitive Information 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 between persons who were in possession of the Unpublished Price Sensitive Information without being in breach of regulation 3 of Regulations and both parties had made a conscious and informed trade decision;

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

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
- (v) in the case of non-individual Insiders: –

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

- (b) appropriate and adequate arrangements were in place to ensure that the regulations are not violated and no Unpublished Price Sensitive Information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

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

NOTE: When a person who has traded in Securities has been in possession of Unpublished Price Sensitive Information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of Unpublished Price Sensitive Information is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.

(2) In the case of Connected Persons the onus of establishing, that they were not in possession of Unpublished Price Sensitive Information, shall be on such Connected Persons and in other cases, the onus would be on the SEBI.

(3) The SEBI may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of the Regulations.

IV. TRADING PLAN

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 on his behalf in accordance with such plan.
2. Such Trading Plan shall:
 - a. not entail commencement of trading on behalf of the Insider earlier than 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 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 upto twenty per cent higher than such closing price;
 - b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

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 trades 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 Unpublished Price Sensitive Information in possession of the Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation.

Provided further that if the insider has set a price limit for a trade under sub-clause (iv) of clause (v) of sub-regulation 2, 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 in sub-regulation 4 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 Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.

- (iii) The decision of the Audit Committee 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 Audit Committee 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

- b. Every Promoter, member of promoter group, Director, Key Managerial Person and director of the Company, within thirty days of the regulations taking effect, shall disclose of all holdings in Securities of the Company;
- c. Every person on appointment as a key managerial personnel or a director of the company or upon becoming a Promoter or member of the promoter group shall disclose his holding of Securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

4. Continual Disclosure

Every Promoter, member of the promoter group, Designated Person and Director of the Company, shall disclose to the Company the number of such Securities acquired or disposed of within two trading days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 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 Promoters Designated Persons, Directors, Key Managerial Personnel, should be disclosed in prescribed format respectively on annual basis, as at 31st March every year, by 15th April to the Compliance Officer.

VI. CODES OF FAIR DISCLOSURE AND CONDUCT

1. The Board of Directors have formulated and published on its official website, a Code of Practices and Procedures for Fair Disclosure of UPSI that it would follow in order to adhere to each of the principles set out in Schedule A to the Regulations.
2. Every Code of Practices and Procedures for Fair Disclosure of UPSI and every amendment thereto shall be promptly intimated to the stock exchanges where the Securities are listed.

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, adopting the minimum standards set out in Schedule B to the Regulations, without diluting the provisions of the Regulations in any manner.
2. The Company has identified and designated a Compliance Officer to administer the Code and other requirements under the Regulations.
3. The Board of Directors shall in consultation with the Compliance Officer specify the Designated Persons to be covered by the Code of Conduct on the basis of their role and function in the organisation and the access that such role and function would provide to Unpublished Price Sensitive Information in addition to seniority and professional designation and shall include:-
 - (i) Employees of the Company, intermediary or fiduciary 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 their functional role or access to UPSI;

- (iii) All promoters and promoters who are individuals or investment companies for intermediaries or fiduciaries;
- (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to UPSI;
- (v) Any support staff of the company, intermediary or fiduciary such as IT staff or secretarial staff who have access to UPSI.

VIII. PROCEDURAL STANDARDS FOR CODE OF CONDUCT

1. The Compliance Officer shall report to the Board of Directors, on quarterly basis, and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors.
2. 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.
3. 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.

4. Designated Persons shall be governed by this Code while dealing in Securities of the Company.
5. **Trading Window**

Designated Persons may execute trades subject to compliance with the Code. A notional trading window shall be used as an instrument of monitoring trading by the Designated Persons. The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such Securities to which such UPSI relates. Designated Persons and their immediate relatives shall not trade in Securities when the trading window is closed.

Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

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

6. Pre-Clearance of Trades

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 Rs. 10 Lacs (Ten Lacs) in value over 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 CMD/Whole-time for pre-clearance of his own dealing in Securities of the Company. The CMD/Whole-time Directors shall inform his decisions regarding the clearance within two working days of receipt of application for pre-clearance.

7. Period for completion of the transaction

Trades that have been pre-cleared have to be executed by the Designated Person, within 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.

8. Contra Trade

Designated Person, who is permitted to trade, shall not execute a contra trade within a period 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 regulations. An application in this regard shall be made to the Compliance Officer.

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

9. Reporting

The Board has devised Proforma (I to X) annexed to this Code as “Proforma” for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, Waiver of minimum holding period (Contra Trade) and for reporting level of holdings in Securities at such intervals as may be determined as being necessary to monitor compliance with the Regulations.

10. Penalty for Contravention of Code of Conduct

- a) Any Director or Designated Person who trades in Securities of the Company or communicates any information for trading in the Securities of the Company, in contravention of the Code of Conduct shall be held guilty and penalized and appropriate action shall be taken by the Company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans or termination of their employment / contract etc.
- b) The penal action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.
- c) Under Section 15G of the SEBI Act, any insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty of twenty five crore rupees 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 term which may extend to 10 years or with fine, which may extend to twenty five crore rupees or with both.

In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any Director or Designated Person, he shall forthwith inform the Executive Committee of the Board (“the Executive Committee”).

11. Information to SEBI in case of violation

The Compliance Officer shall simultaneously inform SEBI about such violation. The Director or Designated Person, against whom information has been furnished by the 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.

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 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.

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 during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

- 13.** The Company has a process for how and when people are brought ‘Inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

IX. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

- 1 The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the regulations to prevent insider trading.
- 2 The internal controls shall include the following:
 - (a) all employees who have access to Unpublished Price Sensitive Information are identified as designated employee;
 - (b) all the Unpublished Price Sensitive Information 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 Unpublished Price Sensitive Information as required by the regulations;
 - (d) lists of all employees and other persons with whom Unpublished Price Sensitive Information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
 - (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 Audit Committee 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 has formulated written policies and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. Accordingly, the Company shall initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

The Company has a whistle-blower policy and employees are aware of such policy to enable employees to report instances of leak of UPSI.

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.

X. RIGHT TO CHANGE OR AMEND CODE

The Executive Committee 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.

XI. BINDING

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

XII. EFFECTIVE DATE

This policy shall be effective from the date on which the Board of Directors of the Company adopts the policy.

Place :ROORKEE

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