

# ***CHANDI STEEL INDUSTRIES LIMITED***

## **CODE OF FAIR DISCLOSURE AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AS PER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2018**

### **1. PREAMBLE:**

In terms of Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”), Jai Balaji Industries Limited (“the Company”) has formulated and adopted a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code of Fair Disclosure”).

The aforesaid Code of fair Disclosure is required to be amended pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“the Regulations”). Accordingly, the Board of Directors of the Company amended the existing code of Fair Disclosure.

This Code of Fair Disclosure shall come into effect from April 1, 2019.

### **APPLICABILITY**

These regulations shall be applicable to the Designated Employees and their immediate relatives and other connected persons.

### **DEFINITIONS**

#### **(a) Board**

Board means the Board of Directors of the Company .i.e Jai Balaji Industries Limited

**(b) “Unpublished Price Sensitive Information (UPSI)”** shall mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. Mergers, de-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
- v. Changes in key managerial personnel.

**(c) "Legitimate Purpose"** shall mean 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.

## ***CHANDI STEEL INDUSTRIES LIMITED***

### **(d) Compliance Officer**

The Board of the Company has appointed the Company Secretary as the Compliance Officer reporting to the Board of Directors who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of this codes under the overall supervision of the Board of Directors of the Company.

### **(e) “Connected Persons” means:**

- (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
  - i. an immediate relative of connected persons specified in clause (i); or
  - ii. a holding company or associate company or subsidiary company; or
  - iii. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
  - v. an official of a stock exchange or of clearing house or corporation; or
  - vi. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  - vii. 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
  - viii. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - ix. a banker of the company; or
  - x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

## ***CHANDI STEEL INDUSTRIES LIMITED***

### **COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

All insiders who are essentially in possession of unpublished price sensitive information shall maintain confidentiality and handle such information with care. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, 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.

Policy for determination of legitimate purpose as a part of Codes of Fair Disclosure and Conduct formulated under regulation 8 is annexed.

### **STRUCTURED DIGITAL DATABASE:**

A structured digital database shall be maintained, containing the names of such persons or entities as the case may be with whom information is shared under the Regulations along with the Permanent Account Number (PAN) or any other identifier authorized by Law where PAN is not available. Such database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non - tampering of the database.

### **Need to Know**

Price Sensitive Information is to be handled on a “need to know basis”. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

In case of the following transactions, unpublished price sensitive information may be communicated, provided, allowed access to or procured:

1. substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control, that entails an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company;
2. any transaction which do not entail an obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company.

However, The Board of Directors would cause public disclosures of such unpublished price sensitive information available at least two trading days prior to the proposed transaction to rule out any information asymmetry in the market.

For the aforesaid purpose, 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 of point 1 and 2 above, and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

# ***CHANDI STEEL INDUSTRIES LIMITED***

## **CHINESE WALL**

Chinese wall is designed within the organisation to manage confidential information and prevent the inadvertent spread and misuse of inside information, or the appearance thereof. Management shall understand where Chinese Walls have been set up or where they are needed according to this code or local requirements. It shall separate the areas that have access to Inside Information (“Insider Areas”) from those which do not have such access (“Public Areas”). As such, Chinese Walls are designed to operate as barriers to the passing of Inside Information and Confidential Information and also as a means of managing Conflicts of Interest.

Employees working within an Insider Area are prohibited from communicating any Confidential or Inside Information to employees in Public Areas without the prior approval of their local Compliance Officer. They have a responsibility to ensure that the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the local Compliance Officer immediately. All documents containing Insider Information which have been or are created and/or stored on a computer by anyone must be privacy protected, with access available only to relevant persons within insider information as appropriate. Any temporary authorisation for access should be notified and monitored by the compliance officer.

There may be such designated persons who might have access to information from departments that are separated by Chinese Walls and their role may require them to cross the Chinese Wall. The number of such designated persons should be limited and they should be monitored by the Compliance Officer from time to time. They shall have the additional responsibility to ensure that Inside Information from one side of a Chinese Wall is not spread to other areas.

## **TRADING RESTRICTIONS**

No insider, when in possession of unpublished price sensitive information shall trade in securities of the Company.

### **Trading Plan**

An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

The trading plan shall entail trading for a period of not less than twelve months.

The trading plan not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;

The trading plan shall set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected

## ***CHANDI STEEL INDUSTRIES LIMITED***

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

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

Trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.”

The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

### **Trading Window**

The Trading Window shall be closed during the following periods:

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

The trading window shall be opened 48 (Forty Eight) hours after the unpublished price sensitive information becomes generally available.

When the Trading Window is closed, the designated persons and their immediate relatives shall not trade in securities.

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.

Other than the period(s) for which the Trading Window is closed, the same shall remain open for dealing in securities of the Company.

### **Reporting Requirements for transactions in securities Disclosures by certain persons.**

#### *7. (1) Initial Disclosures.*

(a). Every promoter member of the promoter group, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;

(b). 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.

## ***CHANDI STEEL INDUSTRIES LIMITED***

### *(2) Continual Disclosures.*

(a). Every promoter member of the promoter group, designated person and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;

(b). Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

### *Disclosures by other connected persons.*

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

### **Pre-clearance of Trades**

When the trading window is open, all designated persons who intend to deal in the securities of the Company (above minimum cumulative threshold of 10,000 and above shares from the last disclosure) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

No designated person shall apply for pre-clearance of any proposed trade of in possession of unpublished price sensitive information even if the trading window is open.

- i) An application shall be made to the Compliance officer indicating the estimated number of securities that the designated person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required in this behalf.
- ii) An undertaking shall be executed in favour of the Company by such designated person incorporating, inter alia, the following clauses, as may be applicable:
  - (a) That the designated person does not have any access to nor have any information that could be construed as unpublished price-sensitive information upto the time of signing this undertaking.
  - (b) That in case designated person has access to or receive any information that

## ***CHANDI STEEL INDUSTRIES LIMITED***

could be construed as unpublished price-sensitive information after signing this undertaking but before executing the transaction for which approval is sought, he/she shall inform the compliance officer of the same and shall completely refrain from dealing in the shares of the Company till the lapse of 24 hours from the time such information becomes public.

- (c) That he/she have not contravened the regulations and guidelines applicable to him/her in respect of prohibition of Insider Trading as may be notified by the Company or SEBI from time to time.
- (d) That he/she has made a full and true disclosure in the matter.

The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.

### **Completion of Pre-cleared Dealings**

All designated persons shall execute their trades in respect of securities of the Company within a period of seven days after the approval of preclearance is given, failing which fresh pre-clearance would be needed for the trades to be executed.

All designated persons are required to report the details of the executed trades within 7 days from the date of trade / deal. In case the trade is not undertaken a ‘Nil’ report shall be necessary.

### **Holding Period**

All designated persons who buy or sell any number of securities of the Company shall not enter into a contra trade i.e. sell or buy any number of securities during the next six months following the prior transaction.

In case the sale of securities is necessitated by personal emergency, the holding period maybe waived by the compliance officer or 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. Should a contra trade be 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act after recording in writing his/her reasons in this regard.

### **“Institutional Mechanism for Prevention of Insider trading.**

The Chief Executive Officer, Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

The internal controls shall include the following:

## ***CHANDI STEEL INDUSTRIES LIMITED***

- (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 these regulations;
- (c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these 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) periodic process review to evaluate effectiveness of such internal controls.

The regulation should clearly specify the persons who would be held responsible in the event of failure to properly implement the preventive measures. i.e. failure to formulate an effective code of conduct and put in place an adequate and effective system of internal control to ensure proper implementation of various requirements given the regularization to prevent insider trading.

The board of directors of every listed company and the board of directors or head(s) of the organisation of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with this regulation.

The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Every listed company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

The listed company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

If an inquiry has been initiated by a listed company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with such inquiry conducted by listed company.



# ***CHANDI STEEL INDUSTRIES LIMITED***

## **Designated Persons**

DPs for listed entities includes promoter, CEO and upto two levels below CEO of such listed company and its material subsidiaries irrespective of their functional role in the company or ability to have access of UPSI.

The listed entities will have to specify the DPS covered by the code on the basis of their roles and responsibilities in the organization.

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

- 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.

The Code should provide a process for how and when people are brought sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of inside information, and the liability that attaches to misuse or unwarranted use of such information.

## **6. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES**

All directors/officers/designated persons of the company shall be required to forward following details of their Securities transactions including the statement of dependent family members to the Compliance officer:

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors/officers/designated employees for a minimum period of five years.

## **7. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

Any employee/officer/director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct shall be penalised and appropriate action shall be taken by the company.

Employees/officers/directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, recovery, clawback etc.

In case it is observed that there is violation of regulation 9(1) it shall be informed to SEBI promptly.

## ***CHANDI STEEL INDUSTRIES LIMITED***

### **8. INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2018**

In case it is observed by the company/compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2018, SEBI shall be informed by the company.

### **9. AMENDMENT TO THIS CODE**

The Board / Compliance Officer reserves the right to amend this Code as and when it deems appropriate.

### **10. CLARIFICATIONS**

For all queries concerning this Code, the Directors, Officers and Designated Employees may please contact the Compliance Officer.

### **POLICY**

This Code of Fair Disclosure attempts to adhere to the following principles for fair disclosure of unpublished price sensitive information:

1. Any person in possession of any unpublished price sensitive information that would impact price discovery shall disclose the same to the Compliance Officer who shall promptly disclose such unpublished price sensitive information no sooner than credible and concrete information comes into being in order to make such information generally available;
2. Uniform and universal dissemination of unpublished price sensitive information to void selective disclosure;
3. The Compliance Officer shall act as the chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information;
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available;
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities;
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information;
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made;
8. Handling of all unpublished price sensitive information on a need-to-know basis.

## ***CHANDI STEEL INDUSTRIES LIMITED***

### **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAKAGE OF UNPUBLISHED PRICE SENSITIVE INFORMATION PREFACE**

Pursuant to Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, including any amendments thereto, the Company shall formulate written policies and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (“UPSI”) or suspected leak of UPSI duly approved by board of directors of the Company and accordingly initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the Securities and Exchange Board of India (“SEBI”) promptly of such leaks, inquiries and results of such inquiries.

Under these circumstances, the Company has formulated this present policy to safeguard the interests of its stakeholders, directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any instances of leakage of UPSI or suspected leakage of UPSI.

The Company has also formulated a whistle-blower policy to enable employees to report instances of leak of unpublished price sensitive information.

### **PROCEDURE FOR INQUIRY**

1. The Company on becoming aware of leak of UPSI or suspected leak of UPSI should take necessary steps, as may be necessary, or may refer the matter or any issue(s) arising there from to any competent forum, professional experts, and/or legal counsels, whether internal or external, for requisite review, analysis, investigation and consequent guidance / opinion / advise, if any, so as to take an effective, rational and unbiased redressal measure with regard to such matter and/or issue(s) arising therefrom.
2. On becoming aware of leak of UPSI or suspected leak of UPSI, the Compliance Officer shall ensure that the same shall be intimated to the Stock Exchanges
3. The Accused shall have right to be heard and adequate time and opportunity shall be given for the subjects to communicate his/her say on the matter.
4. On completion of investigation, Whistle Blower Officer / Executive Chairman shall have the right to take such action as it may deem just and proper. Such decision shall be final and binding on all concerned parties including the Company.
5. The Accused shall have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.
6. The Compliance Officer shall ensure that the report such actual or suspected leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI and the Stock Exchanges
7. The report of the investigation carried out and the result thereof shall be reported to the Board of Directors of the Company at its next meeting.

Every listed company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

## ***CHANDI STEEL INDUSTRIES LIMITED***

### **Code of Conduct for Listed Companies to Regulate, Monitor and Report Trading by Designated Persons**

The compliance officer shall report to the Chairman of board of directors or to the Chairman of the Audit Committee, if any, at such frequency as may be stipulated by the board of directors, but not less than once in a year.

All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”.

Designated Persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.

Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

Trading restriction period can 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 48 hours after the information becomes generally available.

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 such thresholds as the board of directors may stipulate.

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 unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

The pre-cleared have to be executed by the designated person, not be more than 7 trading days, within which trades that have been failing which fresh pre-clearance would be needed for the trades to be executed.

## ***CHANDI STEEL INDUSTRIES LIMITED***

A designated person who is permitted to trade shall not execute a contra trade, which in any event shall not be less than 6 months. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options. The code of conduct shall stipulate such formats as the board of directors 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 these regulations.

Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed, by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, for the contravention of the code of conduct.

The code of conduct shall specify that in case it is observed by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, that there has been a violation of these regulations, shall inform the Board promptly.

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

- 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.

Listed entities shall have 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.