



CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

INTRODUCTION

Holani Consultants Private Limited ("HCPL"), being a category I merchant banker under the SEBI (Merchant Banker) Regulations, 1992, provides, *inter – alia*, merchant banking and financial advisory services to its clients. HCPL and the Designated Persons may receive and / or handle Unpublished Price Sensitive Information ("UPSI") in course of rendering services to its Clients. HCPL under Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, being an intermediary registered with SEBI, is required to formulate a code of conduct in order to regulate, monitor and report trading by Designated Persons and their Immediate Relatives.

HCPL is committed to high standards of corporate governance, transparency and fairness in dealing with its Clients and in ensuring adherence to all applicable laws and regulations of India including but not limited to PIT Regulations. This Code has been formulated to maintain confidentiality of Client's UPSI and prevention of disclosure of any UPSI of its Clients. This Code encapsulates the restrictions, formats and rules of conduct to be followed by Designated Persons and their Immediate Relatives while dealing with UPSI of its Clients and is intended to serve as a guiding charter for all persons associated with its functioning.

1. SCOPE

- 1.1. This Code of Conduct for Prevention of Insider Trading ("Code") comprises of rules and regulations for governing the provisions for prevention of Insider Trading and protection of Unpublished Price Sensitive Information of Clients as required under the PIT Regulations.
- 1.2. This Code extends to the Designated Persons and their Immediate Relatives.
- 1.3. This Code shall come into force with effect from 28th February, 2020. ("Effective Date").

2. DEFINITIONS AND INTERPRETATIONS

2.1. Definitions

"Act" shall mean Securities Exchange Board of India Act, 1992 as amended from time to time.

"Client" shall mean listed companies or proposed to be listed companies with whom HCPL has ever been associated in any manner for any providing professional services.

"Code" shall mean this Code of Conduct: Prevention of Insider Trading as amended from time to time.

"HCPL" shall mean Holani Consultants Private Limited.





"**Compliance Officer**" shall mean the person, who has been appointed by HCPL as compliance officer and is responsible for compliance of policies, procedures, maintenance of records, monitoring the compliance of this Code for preservation of UPSI, monitoring of trades by Designated Persons under the overall supervision of HCPL and other obligations as ascribed to such person under this Code and PIT Regulations.

"**Designated Persons**" shall mean and include the following:

- (a). Board of Directors of HCPL
- (b). Chief Executive Officer of HCPL
- (c). Chief Finance Officer of HCPL
- (d). All Employees of HCPL having access to UPSI or are in possession of UPSI on account of their role in HCPL
- (e). Other person as specified by HCPL from time to time and under the PIT Regulations.

"**Immediate Relatives**" shall mean a spouse of a designated person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such designated person or consults such designated person in taking decisions relating to trading in securities.

"**Insider Trading**" shall have the meaning as prescribed to it under the PIT Regulations.

"**Unpublished Price Sensitive Information**" or "**UPSI**" shall mean any information, relating to Client or Client's securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of Client's securities and shall, ordinarily including but not restricted to, information relating to the following:

- (a). Client's financial results;
- (b). Client's dividends;
- (c). change in Client's capital structure including but not limited to issue of securities, buy back of securities etc.;
- (d). mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions involving the Client;
- (e). Changes in key managerial personnel of the Client.

"**PIT Regulations**" shall mean Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

"**Trading**" shall mean and include subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities of Clients whose securities have been listed or are proposed to be listed on any recognised Stock Exchange, and "trade" shall be construed accordingly.

2.2. Interpretations

- (a). Words and expressions used and not defined in this Code but defined in the PIT Regulation, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in that legislation.
- (b). Reference to the word "include" shall be construed without limitation;





3. COMPLIANCE OFFICER

- 3.1. The Compliance Officer shall report to the *Managing Director of HCPL* and shall provide reports regarding the implementation of this Code and PIT Regulations.
- 3.2. Under the overall supervision of HCPL, the Compliance Officer shall be responsible for following:
- for setting forth policies, procedures, monitoring adherence to this Code and PIT Regulations for the preservation of UPSI;
 - pre – clearing and monitoring of Trades as required under this Code;
 - implementation of this Code;
 - maintaining and updating on a periodical basis, a record of all the Designated Persons and their shareholding in the securities of Clients along with the disclosures made in pursuance of this Code and/or PIT Regulations;
 - Assessment and grant of approval to the trading plans formulated by the Designated Persons;
 - assist all the Designated Persons and their Immediate Relatives in addressing any clarifications regarding the Regulations and the Code;
 - making necessary disclosures with the stock exchanges and other relevant statutory authorities in compliance with this Code and PIT Regulations;
 - Such other roles and functions as may be applicable under the PIT Regulations and/or specified by HCPL.

4. PREVENTION AND RESTRICTION ON COMMUNICATION OF UPSI

4.1. Protection and Communication of UPSI

- All UPSI shall be handled within HCPL on a ‘need to know basis’. No person shall communicate, provide or allow access to any UPSI, directly or indirectly, relating to the Clients or any of Client’s securities, listed or proposed to be listed on any stock exchange, to any person including other Insider except when such communication is in furtherance of legitimate purposes, performance of such person’s duties or discharge of legal obligations.
- No person shall procure from or cause the communication by any person possessing or having access to UPSI, relating to the Client, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- Notwithstanding anything contained in these provisions, UPSI may be communicated, provided, allowed access to or procured, in terms of Regulation 3(3) and 3(4) of the PIT Regulations.

4.2. Trading while in possession of UPSI

- No Insider shall either on his own behalf or on behalf of any other person, trade in securities of Clients which are listed or proposed to be listed, when in possession of UPSI except in accordance with Regulation 4 of the PIT Regulations and trade plan as approved by the Compliance Officer under this Code.





- (b). In event, any Designated Person, while in possession of UPSI, has traded in securities of any Client, his Trades shall be deemed to have been persuaded by the knowledge and awareness of such UPSI. The onus to prove otherwise shall on such person.

4.3. Chinese Wall

HCPL in order to prevent the misuse of UPSI, has adopted a ‘Chinese Wall’ policy which separates those departments of HCPL which routinely have access to UPSI, and are considered “**Inside Areas**” from those departments which deal with accounting or other departments providing support services, and are considered “**Public Areas**” and for this purpose:

- (a). The Designated Persons in the Inside Areas are not allowed to communicate any UPSI to anyone in the Public Areas.
- (b). The demarcation of various departments as Inside Area shall be determined by the Compliance Officer in consultation with HCPL.
- (c). Only in exceptional circumstances, the persons from the public areas are brought ‘over the wall’ and given access to UPSI on a “need to know” basis only.

Procedure for wall – crossing

In the event any person is required to be brought ‘over the wall’, in order to obtain access to the UPSI for a specific purpose, prior approval of the Compliance Officer shall be sought. The Compliance Officer shall consider whether the person being brought ‘over the wall’, is being provided UPSI on a need to know basis.

Such persons, who are brought over the wall should be notified that they would be deemed to be ‘Designated Person’ under this Code and that consequently, such persons will be required to comply with all applicable provisions of the Code, till such information remains UPSI.

Appropriate records of such persons being brought ‘over the wall’ shall be maintained. Further, the Compliance Officer will be informed of all instances wherein a person has been brought over the wall, in accordance with the procedure set out above, so as to enable the Compliance Officer to maintain appropriate records in this regard.

4.4. Need to Know Basis

All Designated Persons, who are privy to the UPSI shall handle the same strictly on a ‘need to know basis’ i.e. UPSI shall only be disclosed to those persons in HCPL who need to know the same in course of performance or discharge of their official duty and that the possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the UPSI.





4.5. Limitations on access to UPSI

All the Designated Persons who are privy to the UPSI shall, in preserving the confidentiality of the same, and to prevent its wrongful distribution, adopt among others, but not limited to, the following safeguards:

- (a). To keep files containing UPSI or Confidential Information, secured;
- (b). To keep computer files with adequate security of login through a password;
- (c). To follow the guidelines for maintenance of electronic records and systems as applicable in HCPL from time to time.
- (d). To restrict reviewing of confidential documents in public places so as to prevent access to UPSI by unauthorized persons.
- (e). To promptly removing and cleaning up all confidential documents and other materials containing UPSI from conference rooms following the conclusion of any meetings.

5. RESPONSIBILITIES OF DESIGNATED PERSONS AND IMMEDIATE RELATIVES

5.1. All Designated Persons shall be required to disclose their name and permanent account number or any other identifier authorized by law of the following to HCPL 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 issued by them.

In additions to above, all designated persons shall disclose their educational institution where they have studied and names of their past employers if any on one – time basis on implementation of this code or whenever any person is becomes designated persons as per this code.

Provided that, for the purpose of this Code, 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 preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.

5.2. While communicating or allowing access to the UPSI, the Designated Person is required to give due notice to such Person with whom the UPSI is shared, to maintain confidentiality of such UPSI in compliance with the PIT Regulations and this Code.

5.3. The Designated Person shall report any leak or suspected leak of UPSI as well as violation of this Code and PIT Regulation by other Designated Person. Further, retaliation for reporting suspected violations is strictly prohibited under this Code. Employee who reports any alleged violations of insider trading laws in accordance with the Informant mechanism introduced vide PIT Regulations will be protected against any unlawful discharge, termination, demotion, suspension, or threats, harassment, directly or indirectly.





- 5.4. If an inquiry has been initiated by HCPL in case of leak or suspected leak of UPSI, the Designated Person shall co – operate with the Client along with HCPL in connection with such inquiry conducted by the Client.
- 5.5. The Designated Person shall make disclosures of his holding and trading inequity shares of any of the Client by himself or by Immediate Relatives to HCPL preferably in advance but not later than 24 hours post transaction in any case.
- 5.6. The Designated Persons and their immediate relatives are advised and mandated to read and adhere to this Code, as amended from time to time and code of conduct of the respective Client Company before making any trades in the securities of such Client Company.

6. PRE-CLEARANCE OF TRADES

- 6.1. The Designated Person and/or their Immediate Relatives may, subject to prior approval of the Compliance officer, trade in more than 10,000 (Ten Thousand Only) shares or Rs. 2,00,000/- (INR Two Lac Only) in value, whichever is lower in the securities of any Client.
- 6.2. Upon receipt of the approval from the Compliance Officer under Clause 6.1 of this Code, the proposed trade shall be executed within 7 (seven) days from date of such approval however no contra trade shall be executed in that trade within six months for such approval. Upon failure to execute the Trade within the prescribed time, the Designated Person and/or their Immediate Relative shall be required to obtain a fresh pre – clearance.
- 6.3. The Compliance Officer shall confidentially maintain a list of such securities as a “restricted list” as prepared in consultation with managing director of HCPL, which shall be used as the basis for approving or rejecting applications for pre – clearance of trades.
- 6.4. Prior to the approval of any trades, the Compliance Officer shall seek declarations to the effect that the applicant for pre – clearance is not in possession of any UPSI of the Client in whose securities such applicant is proposing to trade. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

7. TRADING PLAN

- 7.1. All Designated Persons and their Immediate Relatives shall be entitled to formulate a trading plan for providing for plan for trading in securities of the Client. The Trading Plan so formulated shall be presented to the Compliance Officer and for public disclosure and such Designated Person(s) or their Immediate relative(s) may trade only in accordance with their Trading Plan.
- 7.2. The trades have to be cleared within 7 (Seven) trading days and they have to be executed by Designated Person, failing which fresh pre – clearance would be needed for the trades to be executed.





- 7.3. The Compliance Officer shall review the Trading Plan to assess whether such plan would have any potential for violation of the PIT Regulations and shall be entitled to seek such express undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 7.4. The Trading Plan once approved shall be binding on the Designated Person or his Immediate Relative, who has formulated the said Trading Plan. They shall implement the Trading Plan and shall not be entitled to deviate from it or to execute any trade outside the scope of the Trading Plan.

8. DISCLAIMER

The Code is the internal policy to regulate Designated Persons and their Immediate Relatives who may be considered to be in possession of UPSI of HCPL's Clients for the purposes of the PIT Regulations, from Communicating and Trading. It is however the responsibility of each Designated Person to ensure compliance with the provisions of the PIT Regulations and other related laws and also on behalf of its Immediate Relatives.

9. PENALTY FOR CONTRAVENTION

- 9.1. Every Designated Person is individually responsible for complying with the applicable provisions of the Code (including to the extent the provisions hereof are applicable to the Immediate Relatives of the Designated Persons).
- 9.2. In addition to penalty as provided under the Act or the PIT Regulations, any Person who violates this Code would attract internal disciplinary actions by HCPL including but not limited to wage freeze, suspension, recovery, imposition of fine, suspension or termination of the services, demotion and claw back etc. as deemed fit by HCPL.

10. MISCELLANEOUS

- 10.1. HCPL reserves the right to amend, rescind, or substitute this Code and/or provide for any rule or forms thereunder. This Code of Conduct may be modified by the Director of HCPL from time to time to adopt best practices and to comply with the PIT Regulations.
- 10.2. This Code has been formulated as per prevailing provisions of PIT Regulation. However, if, on account of any subsequent changes in the law, a particular part of this Code thereof may become inconsistent with the law, in such case the provisions of the law shall prevail.
- 10.3. HCPL shall be governed by this Code and the minimum standards for code of conduct for fiduciaries to regulate, monitor and report trading by Designated Persons as specified under Schedule C to the PIT Regulations, as amended, in terms of Regulation 9(2)(1) of the PIT Regulations.

