

**CODE OF CONDUCT FOR PREVENTION OF INSIDER  
TRADING AND CODE OF CORPORATE DISCLOSURE  
PRACTICES**

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## **INTRODUCTION:**

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trading means trading in Securities of a company by its Directors, Employees or other Insiders while in possession of Unpublished Price Sensitive Information (“**UPSI**”).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

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992, which came into effect from November 19, 1992 and the same were made applicable to all companies whose shares were listed on Indian stock exchanges.

The relevant extract of Regulations 3(1), 3(2), 4(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (“SEBI PIT Regulations”), which prohibit insider trading is quoted below:

*“3(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such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.”*

*“3(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.”*

*“4(1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information....”*

It is mandatory in terms of the Regulations for every listed company, market intermediaries and any other person who is required to handle UPSI in the course of business operations to formulate a Code of Conduct for Prevention of Insider Trading to regulate, monitor and report trading by its Directors, Employees and other Connected Persons. In addition, every company whose Securities are listed on a stock exchange, is also required to formulate a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (hereinafter referred to as “**Code of Corporate Disclosure Practices**”). The subjects of insider trading and disclosure practices have already been dealt with in the Balaji Amines Limited’s Code of Conduct. Clause 06 and Clause 07 respectively of the Balaji Amines Limited’s Code of Conduct, currently in force, dealing with these subjects are reproduced below:

### **CLAUSE 06: PREVENTION OF INSIDER TRADING**

Insider trading is prohibited by both by the Law as well as by the company policy. Insider trading generally involves the act of subscribing to or buying or selling of the Company’s securities, when in possession of any Unpublished Price Sensitive Information about the company.

“Price sensitive information” is such information, which relates directly or indirectly to the company and which if published is likely to materially affect the price of securities of the company. It is important to note that both positive and negative information could be price sensitive.

You will not derive benefit or assist others to derive benefit or assist them to derive benefit on your behalf by giving investment advice from the available access to and possession of information about the Company, which is not in public domain and thus constituting insider information. You will comply with the prevention of insider trading guidelines as issued by Securities Exchange Board of India (SEBI).

## CLAUSE 07: SECURITIES MARKET POLICY

The Company is committed to comply with securities laws in all the markets in which the Company's securities are listed. The company prohibits fraudulent and unfair trade practices with regard to the securities of the Company by all the Directors and members of the senior management team of the company.

In line with the Balaji Amines Limited's Code of Conduct and in order to comply with the mandatory requirement of the SEBI PIT Regulations, it was necessary to formulate a specific Code of Conduct for Balaji Amines Limited ("**the Company**") to regulate, monitor and report trading by Designated Persons and immediate relatives of Designated Persons in securities has been framed with an objective to regulate trading by Designated Persons and immediate relatives of Designated Persons in securities of the Company and to preserve the confidentiality of unpublished price sensitive information and to ensure fairness in dealing with all stakeholders.

This document embodies the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("**Code**") to be adopted by Balaji Amines Limited and followed by their Directors, Employees and other Connected Persons. The Code is based on the principle that Directors and Employees of Balaji Amines Limited owes a fiduciary duty to, among others, the shareholders of the company to place the interests of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation.

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

### **EFFECTIVE DATE:**

This code shall come into force from 1<sup>st</sup> day of April, 2019.

### **DEFINITIONS:**

For the purpose of this Code the following terms shall have the meanings assigned to them hereunder:

- (a) "**Act**" means the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- (b) "**Board**" means Board of Directors of the Company.
- (c) "**Code**" or "**this Code**" means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.
- (d) "**Company**" means "Balaji Amines Limited".
- (e) "**Compliance Officer**" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, 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 the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

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

(f) **“Connected Person”** 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, -

- (a) an immediate relative of connected persons specified in clause (i); or
- (b) a holding company or associate company or subsidiary company; or
- (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 of 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 recognised 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 ten per cent. of the holding or interest.

(g) **“Contra trade”** means a Trade or transaction which involves buying or selling Securities of the Company and within six months of trading or transacting in an opposite transaction involving selling or buying following the prior transaction.

(h) **“Designated Persons”** consists of: -

- i. All the Promoters of the Company; and
- ii. All Directors and Key Managerial Personnel of the Company and its material subsidiaries;
- iii. Employees in various departments such as Finance and Accounts, Marketing, Sourcings, Exports, Corporate Secretarial, Human Resource, Information Technology and any other departments of the Company and its material subsidiaries, if any, on the basis of their functional role or that have access to UPSI, designated from time to time;
- iv. Managing Director (**“MD”**) and employees up to two levels below MD of the Company and its material subsidiaries;
- v. Such other persons as may be identified by the Compliance Officer based on their roles/ functions, in consultation with the Chairman/ Managing Director from time to time.

- (i) **“Director”** means a member of the Board of Directors of the Company.
- (j) **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- (k) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis, such as information published on websites of stock exchanges.
- (l) **“Immediate Relative”** means a spouse of a Designated Person, and includes parent, sibling and child of such Designated Person or of the spouse, who are either financially dependent on such Designated Person or consults such Designated Person in taking decisions relating to trading in securities.
- (m) **“Insider”** means any person who is –
  - i. a connected person; or
  - ii. in possession of or having access to Unpublished Price Sensitive Information.
- (n) **“Insider Trading Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- (o) **“Key Managerial Personnel” means**
  - the Chief Executive Officer or the Managing Director or the Manager;
  - the Company Secretary;
  - the Whole-Time Director;
  - the Chief Financial Officer; and
  - such other officer as may be specified, from time to time, in the Companies Act, 2013 and /or the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and any amendments thereon.
- (p) **“Legitimate Purpose”** shall include any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations.  
  
 The term “legitimate purposes” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI (Prohibition of Insider Trading) Regulations, 2018 or of any other Regulations that may be in force for the time being.
- (q) **“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 modification thereof.
- (r) **“Promoter Group”** 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 modification thereof.
- (s) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- (t) **“Specified Persons”** means all Directors, Employees and connected Persons of the Company (including all Designated Persons).

- (u) **“Stock Exchange”** means BSE Limited and National Stock Exchange of India Limited.
- (v) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- (w) **“Trading in Securities”** means and includes subscribing, redeeming, switching, buying, selling, dealing or agreeing to subscribe, redeem, switch, buy, sell or deal in any securities, and “trade” shall be construed accordingly.
- (x) **“Trading Window”** shall mean the trading period of the stock exchanges which is available for trading in the Company’s securities.
- (y) **“Unpublished Price Sensitive Information” (“UPSI”)** means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of securities of the Company and shall, ordinarily including but not be restricted to, information relating to the following:
  - i. financial results;
  - ii. dividends;
  - iii. change in capital structure;
  - iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - v. changes in key managerial personnel.

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

#### **APPLICABILITY**

- i. This Code shall be applicable to all the Designated Persons and their immediate relatives and insiders as defined under SEBI PIT Regulations, 2015.
- ii. No Designated Persons and their immediate relatives and insiders when in possession of any unpublished price sensitive information about, or in relation to the Company or any of its securities shall:
  - Trade or have dealings in the securities of the Company, either on his/her behalf or on behalf of any other person;
  - Communicate, provide or allow access to, or counsel, directly or indirectly, any unpublished information relating to the Company or any of its securities, to any other person, except on a need-to-know basis in furtherance of legitimate purposes in relation to the Company.
- iii. All Designated Persons and their Immediate Relatives shall conduct their trading in the securities of the Company only during or in a valid trading window strictly in compliance with this Code.
- iv. 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.

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

### **COMPLIANCE OFFICER:**

The Board of the Company shall appoint the Company Secretary as the Compliance Officer to ensure compliance and for effective implementation of the Regulations and also this Code across the Company. In the absence of Company Secretary, the CFO shall act as the Compliance Officer and in their absence, the Managing Director or the CEO would nominate a person to act as Compliance Officer.

The Compliance Officer shall report to the Board of the Company.

The Company Secretary shall hold the position of the Compliance Officer so long as he/she remains the Company Secretary. In the event of the office of the Company Secretary falling vacant till such time a successor is appointed, the Managing Director shall, in the interim period act as the Compliance Officer.

In order to discharge his/her functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his/her function. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

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

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

The Compliance Officer shall be responsible for:

- Setting forth policies in relation to the implementation of the Code and the Regulations in consultation with the Board/Audit Committee.
- Prescribing procedures for various activities referred to in the Code.
- Compliance with the policies and procedures referred herein above.
- Monitoring adherence to the rules for the preservation of UPSI.
- Grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
- Monitoring trades and implementation of this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.
- Maintain the list of Designated Persons and Immediate relatives of Designated Persons with all the details as mentioned in the Regulations in consultation with the Board of the Company and update the same from time to time.

The Compliance Officer shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of maintenance of a digital database for sharing the information for said legitimate purposes and changes thereto from time-to-time.



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

The Compliance Officer shall place status reports before the Chairman of the Audit Committee and Board detailing Trading in the Securities by the Designated Persons along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code on a quarterly basis.

## **HANDLING OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

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

Specified Persons/Insiders shall maintain the confidentiality of all UPSI coming into their possession or control. They shall not pass on such information to any person including their immediate relatives, directly or indirectly.

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

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

### **Need to know:**

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

All UPSI directly received by any Designated Person(s) should immediately be reported to the head of the Department who in turn will communicate the information regarding possession of the UPSI to the Compliance Officer. If, in the performance of duties, it becomes necessary for the Designated Person(s) to disclose any UPSI to any person outside the Company, e.g., Advisors, Auditors, Consultants, Merchant Bankers, etc., the Designated Person(s) shall ensure that the concerned Advisor, Auditor, Consultant, Merchant Banker, etc., shall execute a non-disclosure / confidentiality agreement with the Company. No Designated Person(s) shall procure or seek from or require the communication by any Insider, of UPSI, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

### **Limited access to confidential information:**

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

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

#### **Maintenance of Structured Digital Database**

To monitor the flow of UPSI a structured digital database is maintained internally containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall be maintained with adequate internal controls and checks such as time stamping and audit trails so as the database shall not be tampered.

All such database shall be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

In case of leak of any such unpublished price sensitive information an inquiry shall be initiated as per the policy adopted on “Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information” on becoming aware of such leak of unpublished price sensitive information and the same shall be informed to the Board along with results of said inquiries.

#### **CHINESE WALL**

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

As per the said procedure:

- The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- The Employees in inside area may be physically separated from the Employees in public area.
- The demarcation of various departments as inside area shall be determined by the Compliance Officers in consultation with the Board.
- Only in exceptional circumstances, Employees from the public areas are brought “over the wall” and given UPSI on the basis of “need to know” criteria and such sharing of UPSI shall be recorded in Structured Digital Database.

#### **PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

Insider shall not use UPSI for Trading in Securities of the Company in any manner:

- No insider having access to UPSI shall deal in Securities of the Company when in possession of UPSI
- When an insider and any other person for whom they take trading decisions has traded in securities of the Company when in possession of Unpublished Price Sensitive Information, their trades would be presumed to have been motivated by the knowledge and awareness of such information in their possession.
- All insiders shall be required to sign non-disclosure agreements with regard to communication or procurement of UPSI.
- All insiders, immediate relative of Insiders and any other person for whom they take trading decisions shall be subject to the trading restrictions as enumerated in this Code.
- An Insider who has ceased to be associated with the Company shall not, for a period of six months from date of such cessation, directly or indirectly Trade in the Company's Securities while in possession of UPSI.
- An Insider shall not, directly or indirectly, –
  - i. Trade in Securities of the Company that are listed or proposed to be listed when in possession of UPSI;
  - ii. Trade in Securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI; and
  - iii. Provide advise/ tips to any third party on trading in Company's securities while in possession of UPSI.

These restrictions may not apply to:

- a) a transaction that is an off-market inter-se transfer between Insiders who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed Trade decision;

Provided further that such off-market trades shall be reported by the insiders to the company within two working days and 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.

- b) a transaction carried out through block deal window mechanism between persons who were in possession of UPSI without being in breach of these Rules and both parties had made a conscious and informed Trade decision;
- c) a transaction carried out pursuant to statutory or regulatory obligation;
- d) a transaction undertaken pursuant to the exercise of stock options and the exercise price is pre-determined with applicable regulations; and
- e) Trades pursuant to a Trading Plan (as defined below) set up in accordance with these Rules and SEBI Regulations.

Above exceptions reflect the statutory exceptions provided in Regulation 4(1) of the SEBI PIT Regulations, 2015, and nothing above shall preclude the prior approval or other requirements in relation to trading in Company's Securities under the Code, as set out herein.

**Trading Window:**

The Compliance Officer shall monitor trading by Designated Persons and immediate relatives of Designated Persons by implementing the concept of a notional Trading Window. 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 shall not trade in securities when the Trading Window is closed. The timing for 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 hours after the information becomes generally available.

Unless otherwise specified by the Compliance Officer, Trading Window shall be closed during the following period in consultation with Managing Director of the Company:

- a) From the end of the quarter and shall remain closed up to forty-eight hours after the publication of the Financial Results of the Company (Quarterly, Half Yearly and Annual).
- b) From the time of the announcement of the meeting of Board of Directors for consideration of all other Unpublished Price Sensitive matters, including the following, and shall remain closed up to 48 hours after the public announcement of the decision taken by the Board of Directors:
  - i. Declaration of financial results;
  - ii. Declaration of dividends;
  - iii. Change in capital structure;
  - iv. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - v. Changes in key managerial personnel;
  - vi. Any changes in policies, plans or operations of the Company that could have a material impact on its financial performance.

As regards declaration of dividend and other matters referred to above, the Managing Director/ Chief Executive Officer shall, well before initiation of such activity/ project, form a core team of Employees who would work on such assignment. The Managing Director/ Chief Executive Officer shall also designate a senior Employee who would be in-charge of the project. Such team members will execute an undertaking not to deal in the Securities of the Company till the UPSI regarding the activity /project is made generally available or the activity/project is abandoned and the Trading Window would be regarded as closed for them. Such core team may share information related to the activity/project with any Connected Person only on a need to know basis for any advice or guidance required from such Connected Person, provided that such person are bound by confidentiality and undertake not to breach the Regulations.

Further, where the activity/project relates to a listed company, the name of such listed company will be deemed to be included in the —restricted list which is confidentially maintained by the Compliance Officer. The Compliance Officer shall use the restricted list as the basis for approving or rejecting applications for pre-trading.

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

In case of Employee Stock Option Schemes (ESOP's) exercise of options may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOP's shall not be allowed when the trading window is closed.

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

##### **Applicability:**

Every Designated Person shall obtain a **pre-trading** approval as per the procedure prescribed hereunder for any Trading in the Securities of the Company proposed to be undertaken by such Designated Person / his / her Immediate Relatives. Such **pre-trading** approval would be necessary, only if the cumulative trading (including trading in derivatives of Securities, if permitted by law) whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees (market value).

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

##### **Pre-trading Procedure:**

For the purpose of obtaining a pre-trading approval, the concerned Designated Person shall make an application in the prescribed form (**see Annexure 1**) to the Compliance Officer, for Pre-clearance of the transaction exceeding the minimum threshold limit. The Compliance Officer should submit his/her application for pre-trading approval to the Managing Director/Chief Executive Officer. Such application should be complete and correct in all respects and should be accompanied by such undertakings and declaration (**see Annexure 2**), indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for pre-trading approval with enclosures may preferably be sent through electronic mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to the address specifically dedicated for this purpose i.e. [cs@balajiamines.com](mailto:cs@balajiamines.com). No Designated Person shall apply for pre-trading approval if such person is in possession of UPSI, even if the Trading Window is not closed.

##### **Approval:**

- a) The Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same Trading Day but not later than the next Trading Day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection may preferably be conveyed through electronic mail and if no such approval / intimation of rejection is received within a period of 2 (two) Trading Days, the applicant can presume that the approval is deemed to be given. While considering the application, the Compliance Officer shall have due regard to whether the declaration provided in **Annexure 2** is reasonably capable of being rendered inaccurate. 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.
- b) Every approval letter shall be issued in such format (**see Annexure 3**) as may be prescribed by the Company from time-to- time. Every approval shall be dated and shall be valid for a period of 7 (seven) Trading Days from the date of approval.
- c) In the absence of the Compliance Officer due to leave etc., the Employee designated by him/her from time-to-time, not being below the level of Senior Manager and part of the Finance or Compliance Department shall discharge the function referred to in (a) above.

### **Completion of Pre-cleared Trading:**

- a) All the Designated Persons shall ensure that they / their Immediate Relatives complete execution of every pre-cleared deal in the Company's Securities as prescribed above not later than 7 (seven) Trading Days from the date of the approval. The Designated Person shall file within 2 (two) Trading Days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form (*see Annexure 4*). In case the transaction is not undertaken, a report to that effect shall be filed (*see Annexure 4*).
- b) If a deal is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person shall apply once again to the Compliance Officer for *pre clearance* of the transaction covered under the said approval.
- c) In case the Compliance Officer, as the case may be, intends to trade in the Security (ies) of the Company, Pre-clearance shall be obtained from the Managing Director / CEO of the Company and the above provisions shall apply accordingly.

A Designated Person who Trades in securities of the Company without complying with the pre-clearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.

### **Trading Plans:**

The Regulations recognize the concept of Trading Plans. Every Insider, including a Designated Person/ immediate relative of Designated Person is entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosures, pursuant to which such Insider, including a Designated Person/ immediate relative of Designated Person can carry on trades in accordance with the provisions of the Trading Plan.

As an exception to the condition that a Designated Person and immediate relative of Designated Person shall not trade when in possession of UPSI, any Designated Person and immediate relative of Designated Person may subject to prior approval of a Trading Plan by the Compliance Officer and public disclosures commence trading on his or her behalf in the Securities of the Company as per the approved Trading Plan for a period of twelve months provided that such Trading Plan shall not entail commencement of Trading in Company's Securities earlier than six months from the public disclosure of the plan and such Trading Plan once approved shall be irrevocable and to be mandatorily implemented.

However, the implementation of the Trading Plan shall not commence if any UPSI is in possession of the Designated Person at the time of formulation of the Trading Plan has not become generally available at the time of the commencement of implementation. In such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information.

Trading Plan shall not entail Trading in Company's Securities for a period between the twentieth Trading Day prior to the last day of any financial period for which results are required to be announced and the second Trading Day after the disclosure of such financial results.

Trading Plan shall not entail overlap of any period for which another Trading Plan is already in existence and for trading in Securities for market abuse. Trading Plan shall also mandatorily 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.

Trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan. The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of Regulations.

The Compliance Officer shall seek undertaking in **Annexure- 2** to enable such assessment. Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

Notwithstanding the above, any Designated Person (for itself or on behalf of immediate relative) intending to formulate a Trading Plan shall consult the Compliance Officer to discuss the applicable rules and procedure. The Compliance Officer shall only approve a Trading Plan in accordance with the applicable provisions of the Regulations.

#### **Opposite transactions in the Securities: (Contra Trades)**

Designated Persons who buy or sell (for self and their immediate relatives) any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction ("**Contra Trade**"). Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. However, the restriction with respect to Contra Trading shall not apply in case of sale of shares pursuant to a pre-approved Trading Plan or trades pursuant to exercise of stock options.

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

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

#### **Advice regarding Pre-Clearance:**

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

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

#### **REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:**

##### **Initial Disclosure:**

- a) Every person on appointment as a key managerial personnel or a Director of the Company or upon becoming a Promoter or member of promoter group or on being identified as a Designated Person shall disclose their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) as on the date of appointment or becoming a Promoter or member of promoter group, to the Company within 7 (seven) days of such appointment or becoming a Promoter or member of promoter group or on being identified as a Designated Person, as the case may be, in prescribed format (**see Annexure 5**).



- b) Every Designated Person shall disclose details like Permanent Account Number or any other identifier authorized by law, names of educational institutions from which they have graduated and names of their past employers for the following: (i) Immediate Relative; (ii) persons with whom such Designated Person(s) shares a material financial relationship; (iii) phone and mobile numbers which are used by them.

In the event an Immediate Relative acquires securities of the Company for the first time or any existing Immediate Relative ceasing to be Dependent, the concerned Designated Person shall forthwith give a Notice in writing of such development to the Compliance Officer.

#### **Continual Disclosure:**

Every Promoter or member of promoter group, Designated Persons, Director of the Company shall disclose in prescribed format (**see Annexure 6**) to the Compliance Officer the number of such Securities (including derivatives) of the Company acquired or disposed by them or their Immediate Relatives and by any other person for whom such person takes trading decisions, within 2 (two) Trading Days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value (including buy and sell) in excess of Rs. 10 lakhs or such other value as may be specified. The Company shall notify the particulars of such trading to the stock exchange on which its Securities are listed within 2 (two) Trading Days of receipt of disclosure or from becoming aware of such information.

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

#### **Annual Disclosure:**

Every Designated Person of the Company shall disclose the names and the holdings of their Immediate Relatives or persons with whom such Connected Person(s) shares a material financial relationship or of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer as on 31<sup>st</sup> March every year in such form (see Annexure – 8) and manner as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted by 15<sup>th</sup> April every year.

Every Designated Person shall also provide in Annual Disclosure and as and when the information changes, the names and PAN or any other identifier authorized by law of the following persons to the Company within 30 days from the end of the year/ change of information:

- 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.

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. In addition, the names of educational institutions from which Connected Person have graduated and names of their past employers shall also be disclosed on a one time basis.



### **Mechanism for prevention of Insider Trading**

- The Company shall be responsible to have adequate and effective system of internal controls including identification of employees who have access to UPSI and list of all the employees and other persons with whom UPSI is shared by the Company.
- The Company shall adopt and maintain Chinese walls to procedure to control the dissemination of UPSI.
- The Compliance Officer shall be responsible for:
  - (a) Ensure that all employees who have access to UPSI are identified as Designated Person;
  - (b) Identification of all the UPSI and maintenance of its confidentiality;
  - (c) adequate restrictions are placed on communication or procurement of UPSI;
  - (d) Shall ensure that process for disclosing sensitive transactions is followed at the disclosure of sensitive information to any person, who is not in receipt of such information;
  - (e) Maintenance of database of names of such persons or entities as the case may be with whom UPSI is shared and confidentiality agreements is signed and notice is served to all such employees and persons;
  - (f) Shall review compliance under these regulations on periodical basis and update the Audit Committee at least once in a financial year;
  - (g) Shall ensure compliance of the conduct inquiry/inspection in case of leak of UPSI or suspected leak of UPSI and further inform the Board promptly of such leaks, inquiries and results of such inquiries.
- The Board shall ensure the compliance of the provisions of the Code by the Compliance Officer from time-to-time.
- The Audit Committee of the Company shall review compliance with the provisions of this Code at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

### **PROTECTION FOR EMPLOYEES AGAINST RETALIATION AND VICTIMIZATION**

Any employee who files a Voluntary Information Disclosure with the Board under Chapter IIIA of PIT Regulations is protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination by the Employer irrespective of whether the information submitted in Voluntary Information Disclosure Form, is considered or rejected by the Board or he or she is eligible for a Reward under these regulations, by reason of:

- a) filing a Voluntary Information Disclosure Form under these regulations;
- b) testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- c) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

### **PENALTY FOR CONTRAVENTION:**

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

The persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action which in respect of an Employee may include wage freeze, suspension or termination of employment. Breach of the provisions of this Code by Designated Person attracts serious penal consequences. All such breaches shall be notified by the Compliance Officer to the Stock Exchange.

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

Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty which shall ***not be less than Rs. 10 lakhs but which may extend to Rs.25 crores or three times the amount of profits made out of insider trading, whichever is higher.*** Under Section 24 of the SEBI Act, 1992, anyone who contravenes the Regulations is ***punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rs.25 crores or with both.*** Further, in case any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both. An extract of Sections 15G and 24 is given in **Appendix A.**

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

#### **CLARIFICATIONS:**

In case of any amendment(s), clarification(s), circular(s) etc. issued by the SEBI or any other relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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

#### **ANNEXURE FORMS:**

Forms relating to reporting under Prevention of Insider Trading are as follows:

1. Specimen of Application for pre-clearance of trade (Annexure -1)
2. Undertaking to be accompanied with the application for Pre clearance of trade(Annexure - 2)
3. Format of Pre clearance order (Annexure - 3)
4. Format for Disclosure of Transaction (Annexure - 4)
5. Format for Disclosure on being appointed Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2). (Annexure – 5)
6. Format for Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2) (Annexure-6)
7. Format for disclosure Regulation 7(3) – Transactions by Other connected persons as identified by the company (Annexure-7)
8. Format for Annual Disclosure by Designated Person (Annexure-8)

**BALAJI AMINES LIMITED**  
**APPLICATION FOR PRE-CLEARANCE OF TRADE UNDER SEBI (PROHIBITION OF INSIDER TRADING)**  
**REGULATIONS, 2015**  
*(Annexure –1)*  
*(To be submitted in duplicate)*

**Date:**

**To,**  
**The Compliance Officer,**  
**Balaji Amines Limited,**  
**Solapur**

1.	Name of the applicant	
2.	Designation	
2A.	Relationship with the Applicant (Self/Immediate Relative)	
3.	Employee Code, if Applicable	
4.	Number and value of securities in the Company held as on date (with folio/DP ID/Client ID No.)	
5.	Nature of securities held*	Equity Shares/ Debentures/Other Securities
6.	Mode in which the securities are held	
7.	The Proposal is for*	a) Acquisition in the open market b) Subscription to the securities c) Sale of securities d) Purchase e) Pledge
8.	Proposed date of dealing in securities	
9.	Nature of proposed dealing*	Purchase/Sale of Securities
10.	Estimated number of securities Proposed to be acquired/subscribed/sold	
11.	Price at which the transaction is proposed and value of the transaction	
12.	Current market price (as on the date of application)	
13.	Whether the proposed transaction will be through stock exchange or off market deal	
14.	Proposed mode of dealing in securities*	Physical / Dematerialised
15.	If securities are dematerialised form held/ proposed to be dealt in:  Name of the Depository: DP ID Number: Client ID number:	

\*strike whichever is not applicable

In relation to the above Dealing, I enclose herewith the form of Undertaking signed by me.Yours  
faithfully,

(Signature of Employee)

**BALAJI AMINES LIMITED**  
**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE**  
**UNDERTAKING**  
(Annexure 2)

**To,**  
**The Compliance Officer,**  
**Balaji Amines Limited,**  
**Solapur**

I, Mr. .... the ..... of the  
Company residing at.....

.....,  
I am desirous of dealing in ..... shares of the Company as per my application  
dated..... for pre-clearance of the transaction.

I, further declare that,

I have neither access to nor have any information that could be construed as "Price Sensitive Information" as defined in the Code upto the time of signing this undertaking:

- a. I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information [as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code)] up to and at the time of signing this Undertaking/Declaration.
- b. In case I have access to or I receive any Unpublished Price Sensitive Information after signing this Undertaking/Declaration but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would, and ensure that my Immediate Relatives would completely refrain from Trading in the Securities (including derivatives) of the Company till the time such Unpublished Price Sensitive Information becomes generally available.
- c. I declare that I have not contravened the Code as notified by the Company from time to time. undertake to submit the necessary report within two Trading Days of execution of the transaction/s "NIL" report if the transaction is not undertaken
- d. I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.
- e. I agree to comply with the provisions of the Code and provide any information relating to the trade as may be required by the Compliance Officer and permit the Company to disclose such detail to SEBI, if so required by SEBI.

Signature

Place: \_\_\_\_\_

Date: \_\_\_\_\_

**BALAJI AMINES LIMITED**  
**FORMAT FOR PRE-CLEARANCE ORDER/ APPROVAL LETTER**  
(Annexure - 3)

To,

Name:

Designation:

Place:

With reference to your above application seeking approval for undertaking certain transactions in Securities (including derivatives) of the Company detailed therein, please be informed that you are / your Immediate Relative \_\_\_\_\_ is hereby authorised/ not authorised to undertake the transaction(s) as detailed in your said application.

This is to inform you that your request for dealing in (nos) shares of the Company as mentioned in your application dated ..... is approved. Please note that the said transaction must be completed on or before ..... date) that is within 7 days from today.

In case you do not execute the approved transaction/deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company.

Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

For **BALAJI AMINES LIMITED**

**COMPLIANCE OFFICER**

Date:

Encl: Format for submission of details of transaction

**BALAJI AMINES LIMITED**  
**FORMAT FOR DISCLOSURE OF TRANSACTIONS**

*(Annexure -4)*

*(To be submitted within 2 days of transaction/dealing in securities of the Company)*

**To,**  
**The Compliance Officer,**  
**Balaji Amines Limited,**  
**Solapur**

I hereby inform that I

- have not bought/sold/subscribed any securities of the Company
- have bought/sold/subscribed to ..... securities as mentioned below on ..... (Date)

Name of holder	No. of Securities Dealt with	Bought/sold/ subscribed	DP ID/Client ID /Folio No	Price (Rs)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (Applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature:

Name:

Designation:

Date

**FORM B**  
(Annexure-5)

**[Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN No, CIN/DIN & Address with contact nos.	Category of Person (Promoters / KMP / Directors/ immediate relatives/ others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/ appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/ appointment of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/ appointment of Director/KMP	
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4		5	6		7	

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

**FORM C**  
(Annexure-6)

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (2) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN No., CIN/DIN, & address of Promoter/Employee / Director with contact nos.	Category of Person (Promoters / KMP / Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/ Disposed		% of Shareholding (Pre and Post transaction		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public /rights/ preferential offer / off market/ Inter-se Transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed		
		Type of security	No	Type of security	No.	Pre	Post	From	to					Buy			Sell	
														Value	No. of Units (Contracts * Lot size)		Value	No. of Units (Contracts * Lot size)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature:

Designation:

Date:

Place:



**Form D (Indicative format)**  
**(Annexure-7)**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) –  
Transactions by Other connected persons as identified by the company**

Name, PAN No., CIN/DIN & address of connected persons, as identified by the company with contact nos.	Connection with company)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of Shareholding (Pre and Post Transaction)		Date of allotment advice/acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public /rights/ preferential offer / off market/ Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)		Exchange on which the trade was executed	
		Type of security	No	Type of security	No	Pre	Post	From	to			Buy		Sell	
												Value	No. of Units (Contracts * Lot size)	Value	No. of Units (Contracts * Lot size)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature:

Designation:

Date:

Place:

**BALAJI AMINES LIMITED**  
**FORMAT FOR ANNUAL DISCLOSURE BY DESIGNATED PERSONS PURSUANT TO SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**  
*(Annexure - 8)*

To  
The Compliance Officer,  
Balaji Amines Limited,  
Solapur

I, \_\_\_\_\_ (Name), \_\_\_\_\_ (Designation), hereby declare and confirm the following details required to be updated in the Company's records as per the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ("SEBI PIT Regulations") and the Company's Code of Conduct for regulating, monitoring and reporting trading by Designated Persons (DP's).

**A. Personal Details:**

1.	Name	
2.	Employee Code, if applicable	
3.	Date of Joining	
4.	PAN	
5.	Any Photo Identity Proof Number (If PAN is not available then please provide, Passport/Aadhar Card/ Driving License/ Other Government Photo ID)	
6.	Personal Mobile Number	
7.	Official Mobile Number	
8.	Personal Email Address	
9.	Official Email Address	
9.	Present Residential Address	
10.	Permanent Address	
11.	Number of shares held at the end of financial year	

**B. Educational Details<sup>1</sup>**

Sr. No.	Name of the degree	Educational Institution	Year of Passing

**C. Previous Employment Details<sup>1</sup>**

Sr. No.	Name of the Company	Tenure	
		From	To

**D. Details of Immediate Relatives<sup>2</sup>**

Sr. No.	Relationship	Name of the Relative	PAN	Phone No. /Mobile No.	Number of shares held	Whether financially dependent or consults you for trading decisions(Y/N)
1.	Spouse					
2.	Father					
3.	Mother					
4.	Son					
5.	Daughter					
6.	Brother					
7.	Sister					
8.	Spouse's Father					
9.	Spouse's Mother					
10.	Spouse's Brother					
11.	Spouse's Sister					

**E. Person (s) with whom I have Material Financial Relationship<sup>3</sup>**

Sr. No.	Name	Nature of Financial Relationship	PAN	Phone No. /Mobile No.

I hereby confirm that all the facts stated above are true to the best of my knowledge and belief and I shall promptly inform the Company about any change therein. I further undertake to abide by the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ("SEBI PIT Regulations") and Company's 'Code of Conduct for regulating, monitoring and reporting trading by designated persons' ('the Code') as amended from time to time.

**Signature:**

**Name:**

**Designation:**

**Date:**

**Place:**

**Notes:**

<sup>1</sup> Optional if already disclosed in earlier years.

<sup>2</sup> 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.

<sup>3</sup> Material financial relationship 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.

## **CODE OF CORPORATE DISCLOSURE PRACTICES**

### **Overseeing and co-ordinating disclosure:**

The Board of the Company shall designate a senior officer as a Chief Investor Relations Officer who would be responsible to ensure timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information (“**UPSI**”) pursuant to this Code as required under the Regulations so as to avoid selective disclosure. For the limited purpose of this Code, the Company Secretary shall be designated as the Chief Investor Relations Officer.

The Chief Investor Relations Officer shall report to the Managing Director/Chief Executive Officer as the case may be and shall also co-ordinate with the Compliance Officer.

The Chief Investor Relations Officer will maintain structured digital database containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of maintenance of a digital database for sharing the information for said legitimate purposes.

The Chief Investor Relations Officer shall ensure that information shared with analysts and research personnel is not UPSI. The Chief Investor Relations Officer shall be responsible for overseeing and co-ordinating disclosure of UPSI to analysts, shareholders and media, and educating Employees on disclosure policies and procedures.

**The Chief Investor Relations Officer, shall also ensure that when interacting with media and external public, guidelines for disclosure of UPSI are complied with.**

All disclosure/dissemination of any UPSI (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the Chief Investor Relations Officer for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the Chief Investor Relations Officer. In case of doubt, the Chief Investor Relations Officer, shall consult and seek approval of the Managing Director/ Chief Executive Officer before dissemination of such information.

Should any dissemination of information on behalf of the Company take place without prior approval referred above, out of accidental omission, selectively, inadvertently or otherwise by any Employee / Director of the Company then such Employee / Director of the Company shall forthwith inform the Chief Investor Relations Officer, about such disclosure. The Chief Investor Relations Officer will then promptly disseminate the information so as to make such information generally available.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of SEBI PIT regulations and such persons are also required to ensure the confidentiality of unpublished price sensitive information shared with them, in compliance with SEBI PIT Regulations.

For the purpose of the above clause, the term “legitimate purposes” shall mean as under:

The term “legitimate purposes” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 or of any other Regulations that may be in force for the time being.

**Responding to market rumours:**

The Employee/ Director of the Company shall promptly direct any queries on news reports or requests for verification of market rumours received from regulatory authorities to the Chief Investor Relations Officer.

The Chief Investor Relations Officer, shall on receipt of requests as aforesaid, consult the Managing Director/ Chief Executive Officer as the case may be and send an appropriate and fair response to the same.

The Chief Investor Relations Officer shall be responsible for deciding in consultation with the Managing Director/Chief Executive Officer of the Company as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

All requests/queries received shall be documented and as far as practicable, the Chief Investor Relations Officer, shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Chief Investor Relations Officer, unless the Managing Director/ Chief Executive Officer approves the same.

**Disclosure/ dissemination of UPSI with special reference to analysts, institutional investors:**

No person, except those authorized by the Chief Investor Relations Officer, shall disclose any information relating to the Company's Securities to analysts and research persons. The Chief Investor Relations Officer, shall be invited to meetings/ conferences organized by the Company with analysts/research persons.

All Directors and Employees of the Company should follow the guidelines given hereunder while dealing with analysts and institutional investors.

**Sharing of UPSI:**

The Employee and Director of the Company shall provide only public information to analysts/ research persons. In case any UPSI is proposed to be provided, the person proposing to so provide information shall consult the Chief Investor Relations Officer, in advance. The Chief Investor Relations Officer, shall ensure that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure.

The Company shall take extreme care and caution when dealing with analysts 'questions that raise issues outside the intended scope of discussion.

The Chief Investor Relations Officer, should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Managing Director/ Chief Executive Officer. If the answer to any question requires dissemination of UPSI, the Chief Investor Relations Officer, shall report the same to the Managing Director/Chief Executive Officer and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement through press. The Chief Investor Relations Officer shall, after dissemination of such UPSI, respond to such unanticipated questions.

The Chief Investor Relations Officer shall handle all the UPSI on a need-to-know basis only. In case of doubt, the Chief Investor Relations Officer, shall consult and seek approval of the Managing Director/ Chief Executive Officer before dissemination of such information.

Sharing of information with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants, shall be considered as "legitimate purposes" for the purpose of sharing unpublished price sensitive information in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI PIT Regulations.

**Recording of discussion:**

All analyst and other investor relations conferences shall be attended by the Chief Investor Relations Officer who may be accompanied by any other Employee(s) of the Company. In order to avoid misquoting or misrepresentation, the Chief Investor Relations Officer can make transcripts or arrangements for recording the discussions at the meeting.

**Simultaneous release of information:**

Whenever the Company proposes to organise meetings with investment analysts/research person, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets.

The Chief Investor Relations Officer, shall be responsible for drafting of the press release or the text of the information to be posted on the Company's web-site, in consultation with the Managing Director/Chief Executive Officer.

**Medium of disclosure/ dissemination:**

The Company shall disseminate all credible and concrete UPSI on a continuous and in a timely manner to stock exchanges where its Securities are listed in accordance with the requirements of applicable law and thereafter to the press.

As a good corporate practice, the UPSI disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's web-site. The Company may also consider other modes of public disclosure of UPSI so as to improve investor access to the same.

The Chief Investor Relations Officer, shall mark a copy of the press release to Chief - Group Corporate Affairs and Media, Balaji Amines Limited, simultaneously for supplementing the Company's website: [www.balajiamines.com](http://www.balajiamines.com).

The information filed by the Company with the Stock Exchanges under the Stock Exchange Listing Agreement shall also be posted on the Company's website.

The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges, as required under the Regulations.

## SCHEDULE A

*[See sub-regulation (1) of regulation 8]*

### **Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery 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 unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a 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.

### **ILLUSTRATIVE LIST OF LEGITIMATE PURPOSE**

In following cases, the sharing of UPSI would be considered as having been shared for a Legitimate Purpose:

- (a) Under any proceedings or pursuant to any order of courts or tribunals;

*Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.*

- (b) For investigation or inquiry (internal or external) or request for information by statutory or governmental authorities or any other administrative body recognized by law;

*Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, SEBI, Stock exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.*

- (c) In compliance with applicable laws, regulations, rules and requirements;

*Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.*

- (d) Arising out of any contractual obligations entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;

- (e) Sharing the information with intermediaries and fiduciaries such as auditors, merchant bankers, management consultants, partners, collaborators or other advisors or consultants;
- (f) For the purpose of legal, financial or any other professional advice to be obtained or for accounting or audit or for defense to be prepared for litigation or dispute resolution;
- (g) For transactions that would entail an obligation to make an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulations') where the board of directors of the company is of opinion that sharing of such information is in the best interests of the company.
- (h) For a transaction that does not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of opinion that sharing of such information is in the best interests of the company.

The transaction referred to above may include acquisitions, merger, amalgamations or any other corporate restructuring, seeking advice in relation to legal aspects involved in such transactions including carrying due diligence of Target/ Merging Companies or seeking advice on commercial aspects including structuring or valuation of such transactions;

The information that constitutes UPSI needs to be made generally available information at least two trading days prior to the proposed transaction being effected in such form as it is adequate and fair to cover all relevant and material facts.

- (i) Sharing financial information for preparation of consolidated financial statements of holding company;
- (j) Sharing information with statutory auditors, secretarial auditors, internal auditors or cost auditors in the course of performance of their duties or otherwise while obtaining any certificate, comfort or confirmation required from them, including for placing any transaction for approval before the Board;

For all those activities done by the company in furtherance of its objects as listed in its memorandum of association.



## SCHEDULE B

*[See sub-regulation (1) and of regulation 9]*

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

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors, but not less than once in a year.
2. 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".
3. Designated Persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.
4. (1) 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.  
  
(2) 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.  
  
(3) The trading window restrictions mentioned in sub-clause (1) 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 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board;  
  
(b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer] [or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time].
5. 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. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
7. Prior to approving any trades, the compliance officer shall be entitled to seek declaration 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.

8. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre- cleared have to be executed by the designated person, failing which fresh pre- clearance would be needed for the trades to be executed.
9. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. 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.

10. 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.
11. 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, 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. Any amount collected under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
12. 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, it shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the Board from time to time.
13. 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.

14. 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.

## SCHEDULE C

*[See sub-regulation (1) and sub-regulation (2) of regulation 9]*

### **Minimum Standards for Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons**

1. The compliance officer shall report to the board of directors or head(s) of the organisation (or committee constituted in this regard) and in particular, shall provide reports to the Chairman of the Audit Committee or other analogous body, if any, or to the Chairman of the board of directors or head(s) of the organisation at such frequency as may be stipulated by the board of directors or head(s) of the organization but not less than once in a year.
2. 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 Wall procedures, and processes for permitting any designated person to “cross the wall”.
3. Designated persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.
4. Designated persons may execute trades subject to compliance with these regulations. Trading by designated persons shall be subject to pre- clearance by the compliance officer(s), if the value of the proposed trades is above such thresholds as the board of directors or head(s) of the organisation may stipulate.
5. 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 pre-clearance of trades.
6. Prior to approving any trades, the compliance officer shall 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.
7. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.
8. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is a connected person of the listed company and is permitted to trade in the securities of such listed company, shall not execute a contra trade. In case of dealing in the units of mutual funds, the code of conduct shall specify the period, which in any event shall not be less than two months, within which a Designated Person who is a connected person of the mutual fund/asset management company/trustees and is permitted to trade in the units of such mutual fund, shall not execute a contra trade. 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.

9. The code of conduct shall stipulate such formats as the board of directors or head(s) of the organisation (or committee constituted in this regard) 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.
10. 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, claw back etc., that may be imposed, by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct. Any amount collected under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
11. The code of conduct shall specify that in case it is observed by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) or sub-regulation (2) of regulation 9, respectively, that there has been a violation of these regulations, such intermediary or fiduciary shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the Board from time to time.
- 11A. In case of dealing in the units of mutual funds, the code of conduct shall specify that in case it is observed by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (2) of regulation 5F, that there has been a violation of these regulations, such intermediary or fiduciary shall promptly inform the same to the stock exchange(s) in such form and such manner as may be specified by the Board from time to time.
12. All designated persons shall be required to disclose name and Permanent Account Number or any other identifier authorized by law of the following to the intermediary or fiduciary 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, names of educational institutions from which designated persons have studied 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 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.

13. Intermediaries and fiduciaries 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.]

**Appendix A**  
**An extract of Sections 15G and Section 24 the SEBI Act, 1992**

**Section 15G: Penalty for insider trading**

If any insider who, —

- (i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price-sensitive information; or
- (ii) communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or
- (iii) counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price-sensitive information;

shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

**Section 24 for Offences**

- (1) Without prejudice to any award of penalty by the adjudicating officer or the Board under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.
- (2) If any person fails to pay the penalty imposed by the adjudicating officer or the Board or fails to comply with any directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.