

**COAL INDIA LIMITED  
COAL BHAWAN, 10 N.S. ROAD  
KOLKATA, 700 001**

**CODE OF INTERNAL PROCEDURES AND CONDUCT FOR PREVENTION OF  
INSIDER TRADING IN SECURITIES OF COAL INDIA LIMITED**

(PURSUANT TO REGULATION 9(1) OF SEBI (PROHIBITION OF INSIDER TRADING)  
REGULATIONS, 2015)

**CHAPTER-I**

**1.0 Preliminary:**

Coal India Limited (“**Company**” or “**CIL**”) endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (as defined hereinafter) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. In this regard this code of conduct for prevention of insider trading is framed by the board of directors of the Company (“**Board**”) pursuant to Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This code shall be called the Code of Internal Procedures and Conduct for Prevention of Insider Trading in Securities of Coal India Limited. Every Designated Person (as defined hereinafter) has a duty to safeguard the confidentiality of all Unpublished Price Sensitive Information obtained in the course of his or her work in the Company or which comes to his or her knowledge during his or her association with the Company. The Designated Person or any Immediate Relative of such Designated Person shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information which is not in the public domain and thus constitutes insider information.

This Code shall come into effect on and from May 15, 2015.

**CHAPTER-II**

**2.0 Definitions:**

- 2.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 2.2 “**Board**” means the board of directors of the Company.
- 2.3 “**Code**” means this Code of Internal Procedures and Conduct for Prevention of Insider Trading including any modification(s) or amendment(s) made thereto from time-to-time or any replacement made thereof by the Company.

- 2.4 **“Company”** means Coal India Limited.
- 2.5 **“Compliance Officer”** means any senior officer, designated so and reporting to the Reporting Officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of this Code and other codes as specified in the Regulations under the overall supervision of the Board.
- 2.6 **“Connected Person”** shall have the meaning assigned to it under the Regulations.
- 2.7 **“Designated Persons”** shall include:
- i) All directors;
  - ii) All executive directors;
  - iii) All key managerial personnel and chief vigilance officer;
  - iv) All chief general managers, general managers, head of the departments;
  - v) All executives working in the following departments, whom may have access to Unpublished Price Sensitive Information:
    - i) Company Secretariat;
    - ii) Investor Services Cell;
    - iii) Accounts and Finance;
    - iv) Internal Audit;
    - v) Coal Videsh;
    - vi) Sales & Marketing;
    - vii) Corporate Planning;
    - viii) Project Monitoring;
    - ix) Corporate Communication & Public Relation;
    - x) Technical Secretaries to CMD, Directors & CVO;
    - xi) Secretaries (Executives) to all functional Directors.
  - vi) Such other employees of the Company and its subsidiaries, as may be notified by the Compliance Officer, from time to time, with the approval of the Board.

Note 1: Depending on the change in the scope of responsibility of an employee, the Compliance Officer with the approval of the Reporting Officer may exclude any employee from the list of Designated Person.

Note 2: In case any Designated Person separates from the services of the Company due to superannuation/resignation/termination etc. he/she shall continue to be considered as a Designated Person for a further period of 6 (six) months subsequent to the date of his/her separation from the Company as envisaged under the Regulations.

- 2.8 **“Director”** means a member of the board of directors of the Company.
- 2.9 **“Immediate Relative”** means the spouse of the concerned person, and includes parents, siblings and children of such person or of the spouse, provided any of them is financially dependent on such person, or consults such person while taking any decision relating to Trading.
- 2.10 **“Insider”** means any person who,  
i. is a Connected Person, or  
ii. is in possession of, or has access to Unpublished Price Sensitive Information.
- 2.11 **“Officers”** includes any Director, secretary or any person (including an auditor of the Company, wherever applicable) in accordance with whose directions or instructions the Board or any one or more of the Directors are accustomed to act.
- 2.12 **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- 2.13 **“Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendment made thereof.
- 2.14 **“Reporting Officer”** means the chairman of the Board.
- 2.15 **“SEBI”** means the Securities and Exchange Board of India.
- 2.16 **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund.
- 2.17 **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities of the Company, and the terms **“Trade”** and **“Traded”** shall be construed accordingly.
- 2.18 **“Trading Day”** means a day on which the recognized stock exchanges are open for Trading.
- 2.19 **“Trading Plan”** shall have the meaning assigned to it in Clause 6 of this Code.
- 2.20 **“Trading Window”** shall have the meaning assigned to it in Clause 7.1 of this Code
- 2.21 **“Unpublished Price Sensitive Information”** means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:

- i. Periodical audited or un-audited financial results of the Company;
- ii. Intended declaration of dividends (both interim and final) by the Company;
- iii. Issue of Securities of the Company or buy-back of Securities by the Company;
- iv. Any major expansion plans of or execution of new projects by the Company;
- v. Any amalgamation, mergers, de-mergers, acquisitions/takeovers, delisting proceedings and such other transactions involving the Company;
- vi. Disposal of the whole or a substantial part of the undertaking by the Company;
- vii. Any significant changes in policies, plans or operations of the Company;
- viii. Any proposed joint venture/ foreign collaboration and major consultancy work in India or abroad;
- ix. Any change in status of the Company;
- x. Any change in key managerial personnel of the Company;
- xi. Occurrence of any material events in accordance with the listing agreement;
- xii. Any other event as may be notified by the Company from time to time.

2.22 “Working day” shall mean the working day when the regular Trading is permitted on the concerned stock exchange where the Securities of the Company are listed.

All capitalized terms used in this Code but not defined herein shall have the meanings assigned to them under the Regulations, Act, the Companies Act, 1956 or Companies Act, 2013 as the case may be.

### CHAPTER-III

#### 3.0 Applicability:

This Code shall be applicable to all the Designated Persons of the Company and its subsidiaries.

### CHAPTER-IV

#### 4.0 COMPLIANCE OFFICER:

The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the provisions specified in the Regulations and this Code for preservation of Unpublished Price Sensitive Information, monitoring of Trades and implementation of the provisions specified in the Regulations and this Code under the overall supervision of the Board. In his absence, the deputy company secretary, who shall be nominated by the company secretary, will 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 functions. 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, Designated Persons and Unpublished Price Sensitive Information of the Company.

A register of all the Designated Persons shall be maintained by the Compliance Officer in consultation with general manager (personnel) CIL, corporate office under the overall supervision and control of the Board and all changes taking place in the list of Designated Persons from time to time shall be incorporated therein. 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.

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

**The Compliance Officer shall be responsible for:**

- setting forth policies and prescribing procedures for various activities referred to in this Code.
- monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information and notify the concerned stock exchanges and/or SEBI about all the particulars required to be intimated to the concerned stock exchanges and/or SEBI, as may be specified under the Regulations.
- decide in consultation with the Reporting Officer, the Designated Persons to be covered by this Code.
- reporting to the Board and in particular to the chairman of the audit committee of the Company or to the chairman of the Board at such frequency as may be stipulated by the Board regarding implementation of the provisions contained in this Code.
- assessment and grant of approvals to the Trading Plans as formulated by any Designated Person and/ or Insider for Trading either in his/her own name or in the name of his/her Immediate Relative and monitoring of such Trading.
- Notification of the approved Trading Plans to the concerned stock exchanges on which the Securities of the Company are listed.
- assessing whether the Trading Window should be closed when a Designated Person or a class of Designated Persons are reasonably expected to be in possession of Unpublished Price Sensitive Information.
- determination of the time for re-opening of the Trading Window after analyzing various factors including the fact that the Unpublished Price Sensitive

Information has become accessible to the public on a non-discriminatory basis at least forty-eight hours prior to such re-opening.

- placing status reports, detailing Trading by all the Designated Persons, either in their own name or in the name of their Immediate Relatives along with, if applicable, the documents that such persons have executed in accordance with the pre-clearance procedure prescribed under this Code on regular basis to the Board.
- seeking declarations/undertakings that the applicant for pre-clearance for Trading is not in possession of any Unpublished Price Sensitive Information and also assessing whether such declaration/undertaking is factually accurate or not.
- confidentially maintaining a restricted list of Securities of the Company which shall be used as the basis for approval or rejection of application for pre-clearance for Trading.
- assisting all the Designated Persons to whom this Code is applicable in addressing any clarifications regarding the provisions of the Regulations and this Code.
- undertaking any other responsibilities as assigned under this Code or under the Regulations.

## CHAPTER-V

### 5.0 PRESERVATION OF – UNPUBLISHED PRICE SENSITIVE INFORMATION

- 5.1 All the Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information coming into their possession or control and shall not communicate, provide or allow access to any Unpublished Price Sensitive Information to any person including any other Insiders.

To comply with this confidentiality obligation, all the Designated Persons shall not, *inter alia*:

- (i) pass on Unpublished Price Sensitive Information to any person directly or indirectly, by way of making a recommendation for the purchase or sale of Securities of the Company; or
- (ii) disclose Unpublished Price Sensitive Information to their family members, friends, business associates or any other individual; or
- (iii) disclose Unpublished Price Sensitive Information in public places; or

- (iv) disclose Unpublished Price Sensitive Information to any other employee who does not need to know the information for discharging his or her professional duties; or
- (v) recommend to anyone that they may undertake Trading while being in possession, control or knowledge of Unpublished Price Sensitive Information; or
- (vi) be seen or perceived to be Trading on the basis of Unpublished Price Sensitive Information.

Provided that nothing contained above shall be applicable to any communication of or access to Unpublished Price Sensitive Information required in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

#### 5.2 **Limited access to Unpublished Price Sensitive Information:**

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

- to keep files containing Unpublished Price Sensitive Information secured;
- to keep computer files with adequate security of login through a password; and
- to follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time.

#### 5.3 **Need to Know:**

All the Designated Persons, who are privy to Unpublished Price Sensitive Information, shall handle the same strictly on a need to know basis. This means the Unpublished Price Sensitive Information shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their respective professional duties or for the discharge of legal obligations and that the possession of Unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the Unpublished Price Sensitive Information.

#### 5.4 **Chinese Wall:**

- 5.4.1 To prevent the misuse of Unpublished Price Sensitive Information the Company has adopted a "Chinese Wall" policy whereby those areas of the Company which routinely have access to Unpublished Price Sensitive Information, considered "inside areas" are separated from areas which deal with sale/marketing/investment advise or other departments providing support services, considered "public areas".

- 5.4.2 The Designated Persons in the inside area shall not communicate any Unpublished Price Sensitive Information to any one in public area.
- 5.4.3 The Designated Persons in inside area may be physically segregated from Designated Persons in public area and the Company may choose to demarcate various departments as inside area.
- 5.4.4 Only in exceptional circumstances Designated Persons from the public areas may be brought "over the wall" and given Unpublished Price Sensitive Information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

## CHAPTER-VI

### 6.0 TRADING PLAN:

- 6.1 Designated Person shall be entitled to formulate a Trading Plan (in the format prescribed in Form-XIV annexed hereto) which has to be approved by the Compliance Officer and be subject to public disclosure ("Trading Plan"), pursuant to which Trading may be carried out by him/her either in their own name or on behalf of their Immediate Relatives. After approval of such Trading Plan, the Compliance Officer shall notify the same to the concerned stock exchanges in which the Securities of the Company are listed.
- 6.2 The Trading Plan shall provide for a cooling off period of 6 (six) months from the public disclosure of the Trading Plan, before commencement of Trading by or on behalf of the Designated Persons or on behalf of their Immediate Relatives.
- 6.3 The Trading Plan shall not entail Trading during the period close to the declaration of financial results. Thus there shall be no Trading for the period between the twentieth Trading Day prior to the last day of any financial period for which financial results are to be declared by the Company and the second Trading Day after the declaration of such financial results.
- 6.4 The Trading Plan shall envisage Trading for a period of at least 12 (twelve) months.
- 6.5 The Trading Plan should not entail overlap of any period for which another Trading Plan is already in operation.
- 6.6 The Trading Plan should set out the nature of Trading envisaged therein, (i.e., acquisition or disposal), the value and number of Securities of the Company to be Traded, and specific dates or time intervals on which Trading shall take place.
- 6.7 The Trading Plan shall not envisage Trading for market abuse or breach the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.



- 6.8 Once a Trading Plan is approved, it shall be irrevocable and the Designated Person shall be bound to implement the same without any deviation, and shall not be permitted to execute any Trading beyond the scope of such Trading Plan.

However, if any Unpublished Price Sensitive Information is in possession of a Designated Person at the time of formulation of the Trading Plan and such information has not become accessible to the public on a non-discriminatory basis at the time of the implementation of such Trading Plan, then the implementation of the Trading Plan will be deferred by the Compliance Officer till the time such Unpublished Price Sensitive Information becomes accessible to the public on a non-discriminatory basis.

## CHAPTER-VII

### 7.0 TRADING WINDOW:

- 7.1 The Company shall specify a Trading period for Designated Persons, to be called – “Trading Window”, for Trading in compliance with the Regulations.
- 7.2 The Trading Window shall also be applicable to any other person having a contractual or fiduciary relation with the Company including, but not restricted to auditors, accountancy firms, law firms, analysts, consultants, etc., advising or assisting the Company, as may be specified by the Company.
- 7.3 All the Designated Persons or their Immediate Relatives and the category of persons mentioned in Clause 7.2 above, shall not be involved in the Trading either in their own name or in the name of their Immediate Relatives when the Trading Window is closed. The Trading Window shall be closed in the following events:

S. No.	Events/ Particulars	Restricted Period	
		From	To
1	2	3	4
(i)	Declaration of financial results of first quarter	20th July or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board meeting but shall in any event be a date subsequent to the second Trading Day after the disclosure of the financial results of the first quarter
(ii)	Declaration of Half-yearly financial results	20th October or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board meeting but shall in any event be a date subsequent to

			the second Trading Day after the disclosure of the financial results of the second quarter
(iii)	Declaration of financial results of third quarter	20th January or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board meeting but shall in any event be a date subsequent to the second Trading Day after the disclosure of the financial results of the third quarter
(iv)	Declaration of annual audited financial results	20th May or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board meeting but shall in any event be a date subsequent to the second Trading Day after the declaration of the annual audited financial results
(v)	Intended declaration of dividends (both interim and final)	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	To be notified by the Compliance Officer depending upon the date of the Board meeting but shall in any event be a date subsequent to the second Trading Day after the meeting of the Board approving such declaration of the interim and final dividends
(vi)	Issue of Securities of the Company (public/right/bonus) or buy-back of Securities	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the meeting of the Board approving such issuance of Securities of the Company or buy-back of Securities
(vii)	Any major expansion plans or execution of new projects	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the meeting of the Board approving/announcing such major expansion plans or execution of new projects
(viii)	Amalgamation, mergers	Shall be notified by	Shall be notified by the

	or takeover	the Compliance Officer as and when the proposal is put up to the Board	Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the meeting of the Board approving such amalgamation, mergers or takeover
(ix)	Disposal of the whole or a substantial part of the undertaking	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the meeting of the Board approving such disposal of the whole or a substantial part of the undertaking
(x)	Any significant changes in policies, plans or operations of the Company	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the meeting of the Board approving/announcing such significant changes in policies, plans or operations of the Company
(xi)	Any proposed Joint Venture/ Foreign Collaboration and major Consultancy work in India or abroad	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the meeting of the Board approving/announcing such proposed joint venture/foreign collaboration and major consultancy work in India or abroad
(xii)	Any change in status of the Company	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the meeting of

			the Board approving such change in status of the Company
(xiii)	Any other event as may be notified by the Company from time to time including the Press Conferences	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board but shall in any event be a date subsequent to the second Trading Day after the notification of such event by the Company through a press conference or otherwise

7.4 In addition to the circumstances specified in Clause 7.3 above, the Trading Window shall be closed when the Compliance Officer determines that a Designated Person, or a class of Designated Persons are reasonably expected to be in possession of Unpublished Price Sensitive Information, provided however, the Trading Window shall be closed in relation to only those Securities of the Company to which such Unpublished Price Sensitive Information relates to. The time for re-opening of the Trading Window shall be determined by the Compliance Officer after analyzing various factors including the fact that the Unpublished Price Sensitive Information has become accessible to the public on a non-discriminatory basis and being capable of assimilation by the market and such time for re-opening of the Trading Window shall not be in any event earlier than 48 (fortyeight) hours after the Unpublished Price Sensitive Information has become accessible to the public on a non-discriminatory basis.

7.5 The remaining days of a year other than the days mentioned under Clause 7.3 and 7.4 above shall be called "**Valid Trading Window**".

All the Designated Persons shall conduct all their Trading either in their own name or in the name of their Immediate Relatives only during a Valid Trading Window and shall not deal in any transaction involving the Trading when the Trading Window is closed.

7.6 In case of employee stock option schemes ("**ESOPs**"), exercise of option may be allowed in the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the Trading Window is closed.

7.7 Subject to the provisions of Regulations, all the Designated Persons shall be eligible to conduct Trading either in their own name or in the name of their Immediate Relatives on any day of the year other than the periods mentioned pursuant to Clause 7.3 and 7.4 of this Code.

## CHAPTER-VIII

### 8.0 PRE-CLEARANCE OF TRADING IN SECURITIES

#### 8.1 Applicability:

Every Designated Person who intends to conduct Trading either in his/her own name or in the name of his/her Immediate Relatives (i) beyond the minimum threshold limits mentioned in Clause 8.2 below and (ii) has not submitted a Trading Plan in accordance with Clause 6 of this Code, which has been approved by the Compliance Officer, shall obtain pre-clearance of the transactions as per the pre-Trading procedure as described hereunder.

Application for pre-clearance shall be made only during Valid Trading Window period. Applications submitted during a period when the Trading Window is closed shall be invalid and will be deemed to have been automatically rejected.

- 8.2 Pre-clearance will not be necessary if the Trading is for less than 1,000 (one thousand) equity shares of the Company to be Traded in a single transaction or less than 2,500 (two thousand five hundred) equity shares of the Company to be Traded in a series of transactions within 1 (one) week.

#### 8.3 Pre-clearance Procedure:

All Designated Persons required to obtain pre-clearance of the transactions as per the provisions of Clause 8.1 above, shall make a pre-clearance application to the Compliance Officer. The application shall indicate the estimated number of Securities of the Company that the Designated Persons or their Immediate Relatives intend to Trade in, the details as to the depository with which he/she has a security account, the details as to Securities of the Company in such depository mode and such other details, as may be required by the Compliance Officer from time-to-time in this behalf.

An undertaking shall be executed in favour of the Company by such Designated Persons incorporating, *inter alia*, the following clauses, as may be applicable:

- (a) that he/she does not have any access or has not received Unpublished Price Sensitive Information up to the time of signing the undertaking;
- (b) that in case he/she has access to or receives Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from Trading till the time such information becomes accessible to the public on a non-discriminatory basis;

- (c) that he/she has not contravened this Code as notified by the Company from time to time;
- (d) that he/she shall hold their investments in Securities of the Company for a minimum holding period as specified under Clause 8.6;
- (e) that he/she undertakes to submit the necessary report within two working days of execution of the transaction or a "Nil" report, after the expiry of one week from the date of the pre-clearance approval if the transaction is not undertaken;
- (f) that he/she is aware that, he/she shall be liable to face penal consequences as set forth in this Code including disciplinary action under this Code, in case the above declarations are found to be misleading or incorrect at any time;
- (g) that he/she hereby undertakes not to conduct Trading in the sanctioned period in case the Trading Window is declared closed subsequently;
- (h) that he/she has made a full and true disclosure in the matter.

A combined proforma for application-cum-undertaking is annexed to this Code as Form-II.

All the Designated Persons shall execute documents as may be prescribed by the Compliance Officer from time-to-time. Such application for pre-Trading approval with enclosures must necessarily 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 i.e. [complianceofficer@coalindia.in](mailto:complianceofficer@coalindia.in) or to such other email id as may be notified by the Compliance Officer from time to time.

#### 8.4 (A) Approval:

- (a) Immediately on receipt of a pre-clearance application, the date and time of the receipt of the same shall be recorded thereon by the Compliance Officer. The Compliance Officer shall process the said pre-clearance application and if pre-clearance application is in accordance and in compliance with provisions of this Code, the Compliance Officer shall endeavor to communicate the pre-clearance immediately but not later than 48 (fortyeight) working hours from the time of receiving the application. Trading by the Compliance Officer shall require prior clearance from the Board.
- (b) Every approval letter shall be issued in the format prescribed in Form-III as annexed to this Code or in such other format 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) days from the date of approval, however such approval shall automatically deemed to be withdrawn if such period is superseded by closure of the Trading Window. If a Trade is not executed by the Designated Persons pursuant to the approval granted by the Compliance Officer within 7 (seven) days, then such Designated Person shall apply once again to the Compliance Officer for fresh pre-clearance of the transaction.

8.4 (B)(a) The competent person or authority to accord pre-clearance shall be as follows:

(i) For chairman-cum-managing director:	Board is the approving authority
(ii) For Directors and Compliance Officer:	chairman-cum-managing director is the approving authority
(iii) For other Designated Persons:	Compliance Officer.

(ii) The Compliance Officer shall duly report to the chairman-cum-managing director the details of pre-clearance(s), if any, accorded during a month within 10 (ten) days of the commencement of the following month and shall submit a consolidated report, if any, to the Board annually.

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

- (a) Every Designated Persons who intends to Trade either in his/her own name or in the of his/her Immediate Relatives shall ensure that they complete execution of every pre-cleared Trading as prescribed above within 7 (seven) days from the date of the approval. Such Designated Persons shall file within 2 (two) working days of the execution of the transaction, the details of such transaction, with the Compliance Officer in the format prescribed in Form-V, as annexed to this Code. In the event of executing the transaction or not executing the transaction, a report to that effect shall be filed with the Compliance Officer also in the format prescribed in Form-V, as annexed to this Code.
- (b) The Compliance Officer shall maintain a register for pre-clearance of Trading and record therein the name and designation of the person submitting the application, date of the application, date and time of receipt of the application, nature of the transaction, number of Securities to be Traded, consideration value, name of the Immediate Relative, if the transaction is in the name of the Immediate Relative and date and details of the actual transaction. A proforma of the register is annexed to this Code as Form-IV.

#### 8.6 Holding Period:

- 8.6.1 All Designated Persons who buy or sell any number of Securities of the Company, shall not enter into a contra trade, i.e. sell or buy any number of Securities of the Company during the next 6 (six) months following the prior transaction.
- 8.6.2 The Compliance Officer may waive the holding period after recording in writing his/her reasons in this regard, provided such waiver does not violate the Regulations. In respect of the Compliance Officer, such relaxation shall require prior approval of the Reporting Officer. However, no such sale or purchase will be permitted when the

Trading Window is closed. Provided however, that the decision of the Compliance Officer/ Reporting Officer (as the case may be) with regard to waiver of the holding period shall be at the sole discretion of the Compliance Officer/ Reporting Officer (as the case may be) and such decision shall be final.

- 8.6.3 In the event a Designated Person executes a contra trade as described in Clause 8.6.1 above, inadvertently or otherwise, in violation of the restriction specified in this Code, the profits from such a Trade shall be liable to be disgorged for remittance to SEBI for credit to Investor Protection and Education Fund administered by SEBI under the Act.
- 8.6.4 The Compliance Officer shall also maintain a register of waiver of restriction on holding period and shall record thereon the name of the Designated Persons, details of Securities of the Company for which waiver is granted, date of such waiver and the grounds for grant of the waiver. A proforma of the register is annexed to this Code as Form- VI.

**8.7 Advice regarding Pre-Clearance:**

In case of doubt, the Designated Persons shall consult the Compliance Officer or such other officer designated by him/her from time to time whether the provisions relating to pre-clearance are applicable to any proposed transaction to be made by such Designated Persons in the Securities of the Company.

**9.0 REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES**

**9.1 Furnishing of details of Securities:**

All the Designated Persons shall be required to forward following details of the transactions in Securities of the Company either in their own name or in the name of their Immediate Relatives to the Compliance Officer:

**Initial disclosure:**

- (a) Every Designated Person shall disclose all holdings in Securities of the Company including that of his/her Immediate Relatives, as on the date of the Regulations taking effect and in the format prescribed in Form-VII annexed hereto, within 30(thirty) days of the Regulations becoming effective.
- (b) Any person on becoming a Designated Person shall disclose Securities of the Company held either in his/her own name or in the name of his/her Immediate Relatives, as on the date of becoming a Designated Person, within 7 (seven) days of becoming a Designated Person, in the format prescribed in Form-VIII annexed hereto.



**Annual Disclosure:**

- (c) Every Designated Person shall disclose all holdings in Securities of the Company including that of his/her Immediate Relatives, as on March 31 of the relevant financial year and in the format prescribed in Form-XI annexed hereto, within seventh day of the next month.

**Continual disclosure:**

- (d) Every Designated Person shall disclose the number of Securities of the Company acquired or disposed by him or her or by his/her Immediate Relatives, within 2 (two) Trading Days of such transaction, if the value of such Securities Traded, whether in one transaction or a series of transactions over a calendar quarter aggregates to a Traded value of more than Rupees ten lakhs, in the format prescribed in Form-IX annexed hereto. The Compliance Officer shall notify the concerned stock exchanges in which the Securities of the Company are listed, about the particulars of the above Trading, within 2 (two) Trading Days of the receipt of such disclosure or from becoming aware of such information.

**Disclosures by other Connected Persons:**

- (e) The Compliance Officer may, in addition to the abovementioned disclosures, require any Connected Person or class of Connected Persons to make disclosures regarding holdings in Securities of the Company and Trading in the format prescribed in Form-X annexed hereto and in such frequency as may be determined by the Compliance Officer in consultation with the Reporting Officer in order to monitor compliance with the Regulations.
- 9.2 The Compliance Officer shall maintain records of all the declarations, initial disclosures, continual disclosures and disclosures by Connected Persons, received under Clause 9.1 above for a minimum period of 5 (five) years. A proforma of the register to be maintained is given in Form-XII annexed hereto.
- 9.3 The Compliance Officer shall maintain a register of all the Designated Persons as per Form-XIII.
- 9.4 The Compliance Officer shall place before the chairman of the Board or before such other senior officer or committee as may be specified in this behalf by the chairman of the Board on a monthly basis, the details of all the disclosures reported in terms of Clause 9.1 to 9.3 together with the completed Forms I to XIV (as applicable) and the documents submitted.

**10.0 PENALTY FOR CONTRAVENTION:**

- 10.1 All Designated Persons shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Immediate Relatives).
- 10.2 All Designated Persons, who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, be also subject to disciplinary action by the "Competent Authority" as defined in the Employee (Conduct, Discipline and Appeal) Rules of the Company, if any. Without prejudice to any other powers of the Board, the Board may also stipulate sanctions such as wage freezing and suspension for any violation of this Code.
- 10.3 Action taken by the Company for violation of the Regulations and this Code against any Designated Person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.
- 10.4. Under Section 15G of the Act, any Insider who indulges in insider trading in contravention of regulation 3 and regulation 4 of the Regulations will be liable to a penalty of Rupees twenty five crores or three times of the amount of profits made out of insider trading, whichever is higher.
- 10.5 Under Section 24 of the Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rupees twenty five crores or with both.
- 10.6 Without prejudice to its rights under Section 24 of the Act and under Clause 10 of the Regulations, SEBI can also pass any or all of the following orders to an Insider found indulging in insider trading:
- directing him/ her not to be involved in Trading in any particular manner.
  - prohibiting him/ her from disposing of any of the Securities of the Company acquired in violation of the Regulations.
  - restraining him/her from communicating or counseling any other person Trading.
  - declaring the transactions in Securities of the Company as null and void.
  - directing the person who acquired Securities of the Company in violation of the Regulations, to deliver the Securities of the Company back to the seller or alternatively pay the seller the price as provided.
  - directing him/her to transfer specified amount to investor protection fund of a recognized stock exchange.

10.7 In case it is observed by the Compliance Officer that there has been a violation of the Regulations by a Designated Person(including that of his/her Immediate Relatives), the Compliance Officer shall forthwith inform the Reporting Officer about the violation and shall also simultaneously inform SEBI about such violation. The Compliance Officer shall initiate penal action on obtaining suitable directions from the Reporting Officer.

**11. CLARIFICATIONS:**

For all queries concerning this Code, all employees of the Company may please contact the Compliance Officer.

**12. GENERAL:**

Designated Persons are advised to read this Code and the Regulations carefully and acquaint themselves with the provisions contained therein.