

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

The Board of Directors of the Company have adopted the amended Code of Conduct for Prevention of Insider Trading in view of SEBI (Prohibition of Insider Trading) (Amended) Regulations 2018 and subsequent amendment to SEBI (PIT) Regulation and interalia defines policy to determine “Legitimate Purpose”. The amended code of Conduct will be applicable with effect from April 1, 2019.

### 1. Introduction:

1.1. The object of this code is to formulate an internal code of conduct to regulate, monitor and report trading by the Company’s designated persons and immediate relatives of designated persons in terms of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B appended thereto.

### 2. 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**” or “**Code of Conduct**” shall mean this Code of Conduct and Internal Procedures for Regulating, Monitoring and Reporting of trading by designated persons of the Company, as amended from time to time.

2.4 “**Company**” means Tamboli Capital Limited.

2.5 “**Compliance Officer**” means Company Secretary or such other senior officer designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes under the overall supervision of the Board of Directors of the Company.

Explanation – For the purpose of this Code, “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

2.6 “**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,

(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; that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

2.7 “**Dealing in Securities**” means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company.

2.8 “**Designated Person**” shall include:

- (a) All promoters of the Company;
- (b) All Directors of the Company;
- (c) All Key Managerial Personnel of the Company;
- (d) Auditors of the Company including the Statutory Auditor, Secretarial Auditor and Internal Auditor ;
- (e) All employees of the Accounts, Finance, Legal & Secretarial Department of the Company
- (f) Employees of material subsidiaries of the Company, if any, designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;

(g) Employees upto two levels below Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;

(h) Any support staff of the Company such as IT staff or secretarial staff who have access to unpublished price sensitive information.

(i) Such other employees or Connected Persons (including representatives of the auditors, law firms) identified by the Board of Directors as Designated Persons in consultation with the Compliance Officer, based on their role and function in the Company and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

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

2.10 “**Employee**” means every employee of the Company.

2.11 “**Generally Available Information**” means information that is accessible to the public on a non-discriminatory basis.

2.12 “**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.

2.13 “**Insider**” means any person who is: i) a connected person; or  
ii) in possession of or having access to unpublished price sensitive information;

2.14 “**Key Managerial Person**” means person as defined in Section 2(51) of the Companies Act, 2013.

2.15 “**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.

2.16 “**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.

2.17 “**Regulations**” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

2.18 “**Securities**” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

2.19 “**Takeover Regulations**” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

2.19 “**Trading in Securities**” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities of the Company, and “trade” shall be construed accordingly.

2.20 “**Trading Day**” means a day on which the recognized stock exchanges are open for trading;

2.21 “**Unpublished Price Sensitive Information**” 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 the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and

Words and expressions used and not defined in these regulations but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation. In the event two or more statutory enactments provide definitions for certain words and expressions, the definitions provided in the Regulations (if such word is defined therein) shall prevail.

### **3. Compliance Officer:**

3.1. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Unpublished Price Sensitive Information”, pre-clearing of trades of Designated Persons, monitoring of trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company.

3.2. The Compliance Officer shall maintain a record of the Designated Persons and any changes made in the list of Designated Persons.

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

3.4. The Compliance Officer shall report on the compliance and implementation of the Regulations and the Code to the Board and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board as and when directed by the Board or Audit Committee atleast once in a year.

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

4.1 Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. Designated Persons shall not communicate, provide or allow access to any Unpublished Price Sensitive Information except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.2 Unpublished Price Sensitive Information is to be handled on a “need to know” basis i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.

4.3 The Company shall ensure that all files including soft copies containing Unpublished Price Sensitive Information are kept secure, such that such information can only be accessed by persons who “need to know” such information. All Designated Persons that get access to Unpublished Price Sensitive Information shall also ensure that all files including soft copies containing Unpublished Price Sensitive Information are kept secure.

5. Prevention of misuse of Unpublished Price Sensitive Information:

5.1. Designated Persons may deal in Securities subject to compliance with the Regulations and this Code.

5.2. Trading window:

5.2.1. The Company through the Compliance Officer shall specify a trading period, to be called "Trading Window", for trading in Securities. 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.

5.2.2. Without prejudice to the generality of paragraph 5.2.1. of this Code, the “Trading Window” with respect to the Company’s Securities shall be closed at the time of:-

5.2.3. (i) In respect of cases mentioned in para 5.2.2 (a) above, the Trading Window shall remain closed from the end of every quarter/ half-year/ year till 48 hours after the declaration of Financial Results.

- (a) Declaration of Financial Results (quarterly, half-yearly and annual)
- (b) Declaration of dividends (interim and final)
- (c) Issue of Securities by way of public / rights / bonus etc. or any change in capital structure.
- (d) Amalgamation, demergers, mergers, takeovers, acquisitions, delistings, disposal of substantial assets, expansion of business, buy-back and other such transactions;
- (e) Changes in Key Managerial Personnel
- (f) Disposal of whole or substantially whole of the undertaking
- (g) Material events in accordance with the listing agreement.

(ii) In respect of the cases mentioned in para 5.2.2 (b) to (g) above, the Trading Window shall remain closed from the date of announcement of the meeting of the Board of Directors.

(ii) Any other period that the Compliance Officer may specify from time to time at his sole discretion.

The Trading Window shall be opened 48 hours after the information referred to above become generally available.

5.2.4. Designated Persons and any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising the Company shall conduct all their dealings in the Securities of the Company only when the trading window is open and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when trading window is closed.

### 5.3. Pre clearance of trades:

5.3.1. Designated Persons who intend to deal in the Company's Securities when the Trading Window is open and who do not hold any Unpublished Price Sensitive Information at the time of seeking pre clearance and where such Securities that have been held for minimum period of six months or have not entered into an opposite transaction during last six months shall obtain a prior permission from the Compliance Officer by making an application in the prescribed form for dealing in Securities. However, no pre clearance would be required, if the traded value of such Securities does not exceed Rs. 10,00,000/- in a financial year.

5.3.2. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

5.3.3. In case of dealing by the Compliance Officer, prior permission from a Managing Director or Whole-time Director.

5.3.4. Transaction for which permission is taken shall be carried out within 7 days after the approval, otherwise, fresh permission would be required.

5.3.5. The Designated Persons shall disclose within two trading days the trade undertaken to the Compliance Officer.

5.4 All Designated Persons who buy or sell any number of Securities shall not enter into an opposite transaction i.e. sell or buy any number of Securities during the next six months following the prior transaction (“**Restricted Period**”). All Designated Persons shall also not take positions in derivative transactions in the Securities at any time. In case of any 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Education and Protection Fund administered by SEBI under the Act. The Compliance Officer may waive off the holding period in case of sale of Securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading Window is closed. Ordinarily, the restrictions imposed by this Clause 5.4 shall not be applicable in any of the following instances:-

(a) the Securities are purchased by exercise of stock options under the Employee Stock Option Scheme/s of the Company in force and thereafter sold within the Restricted Period; or

(b) the Securities are sold and thereafter Securities are purchased by exercise of stock options under the Employee Stock Option Scheme/s of the Company in force within the Restricted Period.

#### 5.5. Trading Plan:

5.5.1. A Designated Person or any Insider is entitled to formulate a Trading Plan for dealing in Securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

#### 5.5.2. Trading Plan shall:

(a) not entail commencement of trading on behalf of the Designated Person or Insider earlier than six months from the public disclosure of the plan;

(b) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;

(c) entail trading for a period of not less than twelve months;

(d) not entail overlap of any period for which another trading plan is already in existence;

(e) 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; and

(f) not entail trading in Securities for market abuse.

5.5.3. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the Plan as per provisions of the Regulations.

5.5.4. The Trading Plan once approved shall be irrevocable and the Designated Person and/or Insider shall mandatorily have to implement the Plan, without being entitled to either deviate from it or to execute any trade in the Securities outside the scope of the Trading Plan. However, the implementation of the Trading Plan shall not commence, if at the time of formulation of the Plan, the Designated Person and/or Insider is in possession

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

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan. of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information.

5.5.5. Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

5.5.6. No Insider shall trade in securities when in possession of Unpublished Price Sensitive Information

## **6. Reporting Requirements for transactions in Securities**

### 6.1. Initial Disclosure:

6.1.1. Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter or member of the Promoter Group shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a Promoter.

### 6.2. Continual Disclosure:

6.2.1. Every Promoter, member of the Promoter Group, Designated Person and Director of the Company shall disclose to the Company, the number of such Securities of the Company acquired or disposed of within two trading days of such transaction. The disclosure shall be made within two trading days of::

- (a) the receipt of intimation of allotment of Securities, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

6.2.2. The Company may, at its discretion, as and when it deems fit, require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the Company in order to monitor compliance with these regulations.

### 6.3. Other Disclosure:

6.3.1. 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.

6.3.2. The Board of Directors shall ensure that the Compliance Officer maintains a digital database containing the names of Designated Persons or such other persons or entities with whom information is shared under the Regulation. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

6.4. Disclosure by the Company to the Stock Exchange(s)

6.4.1. Within 2 trading days of the receipt of intimation under Clause 6.2, the Company shall disclose to all Stock Exchanges on which the Company is listed, the information received.

6.5. Records

6.5.1. The Compliance officer shall maintain records of all the disclosures/ declarations in the appropriate form given by the Promoter, Key Managerial Personnel, Employee and Director for a minimum period of five years.

## **7. Mechanism for Prevention of Insider Trading**

7.1. The Compliance Officer in consultation with the Managing Director, Whole-time Director and the Chief Financial Officer of the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

7.2. The internal controls shall include, inter alia, the following:

7.2.1. Identification of the Designated Persons from time-to-time who may have access to Unpublished Price Sensitive Information;

7.2.2. All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of the regulations;

7.2.3. Adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;

7.2.4. Maintenance of structured digital database containing the names of such persons or entities as the case may be with whom Unpublished Price Sensitive Information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database

7.2.5. Execution of confidentiality or non-disclosure agreements with the Designated Persons.

7.2.6. Process review at regular intervals to evaluate effectiveness of such internal controls.

7.3. The Board shall ensure the compliance of the provisions of the Code by the Compliance Officer from time-to-time.

7.4. 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.

## **8. Penalty for contravention of code of conduct**

8.1. Any Designated Person who trades in Securities or communicates any information for trading in Securities, in contravention of the Code of Conduct may be penalized and appropriate action may be taken by the Company.

8.2. Designated Persons of the Company who violate the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in employee stock option plans, etc.

8.3. The Company shall bring to the attention of the Stock Exchange / SEBI, any violation of the Regulations or this Code whether committed by such Designated Person or any other person.

8.4. The action by the Company shall not preclude Stock Exchange / SEBI from taking any action in case of violation of the Regulations.

## **9. Amendment or Modification of the Code**

9.1 The Board of Directors has the right to amend or modify this Code from time to time at its discretion.