

INDUSTRIAL AND PRUDENTIAL INVESTMENT COMPANY LIMITED

CIN: L65990WB1913PLC218486

**MINIMUM STANDARDS FOR CODE OF CONDUCT TO REGULATE,
MONITOR AND REPORT TRADING BY DESIGNATED PERSONS**

1. BACKGROUND

The Company has formulated a MINIMUM STANDARDS FOR CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS under Regulation 9 read with Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015.

With the recent changes in SEBI (Prohibition of Insider Trading) Regulations, 2015, (PIT) the Company has revised the existing Code which has been approved by the Board of Directors at its meeting held on 12th August, 2022. This Code supersedes any other earlier Code under PIT.

The Designated persons have been identified. However, with changes in administrative structure , the same has been updated.

2. DEFINITIONS

- a. **"Act"** means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable.
- b. **"Board"** means the Board of Directors of the Company.
- c. **"Chief Investor Relations Officer"** means Managing Director and Chief Financial Officer.

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- d. **"Company"** means Industrial & Prudential Investment Company Limited
- e. **"Compliance Officer"** means a company secretary of the Company who shall act as the same under the Listing Regulations and PIT.
- f. "Designated Person" means persons identified by the Board of Directors in consultation with the Compliance Officer.
- g. **"Fair Practice Code"** means any code formulated under SEBI (Prohibition of Insider Trading) Regulations, 2015, (PIT) and includes any subsequent amendments
- h. **"insider"** means any person who is a connected person or in possession of or having access to unpublished price sensitive information
- i. **"Listing Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes other regulations, guidelines, circulars, orders and rules issued by SEBI/BSE to the listed companies .
- j. **"PIT"** means SEBI (Prohibition of Insider Trading) Regulations, 2015
- k. **"SEBI"** means the Securities and Exchange Board of India.
- l. **"Rules"** means the rules made under the Companies Act, 2013.
- m. **"Stock Exchange(s)"** means BSE Limited where the equity shares of the Company are listed.
- n. **"unpublished price sensitive information" (UPIS)** means any information, relating to a company or its securities, directly or indirectly, that is not generally available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, delisting, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel.

3. DESIGNATED PERSONS

The Board of Directors in consultation with the Compliance Officer has identified the following persons as Designated Persons as they are deemed to have UPIS

- a. Promoters
- b. Directors
- c. Managing Director
- d. Chief Financial Officer
- e. Company Secretary
- f. Senior Accountant of the holding company maintaining books of account of the Company
- g. Support staff including Taxation adviser and IT service provider
- h. Internal Auditor

4. CODE AND POLICY

- a. The compliance officer shall report to the board of directors and in particular to the Chairman of the Audit Committee and to the Chairman of the Board of Directors once in a Financial year.

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- b. 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. Procedure of Chinese Walls and “crossing the wall” shall apply.
- c. Designated Persons and immediate relatives of designated persons] in the organisation shall be governed by an internal code of conduct governing dealing in securities.
- d. 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.
- e. Trading restriction period (Window Closure) shall be made applicable from the end of every quarter till of end 48 hours after the event where unpublished price sensitive information (UPSI) is considered for approval.
- f. 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.

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- g. 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.
- h. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above Rs.10,00,000 (Rupees Ten Lakh).
- i. 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.
- j. Preclearance approval shall be executed by the designated persons within seven trading days from the approval.
- k. The designated person shall not execute contract trade within 6 months of earlier approval. The compliance officer is 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.

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1. The Compliance Officer in consultation with the Chairman of the Board of to stipulate such formats 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.
- m. Disciplinary action shall be taken by the Board of Directors against the designated person for violating the code of conduct.
- n. Designated persons shall 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 to the Compliance Officer:
 - 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
 - d) 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.

5. COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION EXCEPT LEGITIMATE PURPOSE

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.

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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.

The board of directors of the company has made a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8.

6. DIGITAL RECORDS

Under Regulation 3(5) and 3(6) the Company has internally developed and ensured maintenance of a structured digital database 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. The system has adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. As per Archival policy this data base will be preserved for eight years.

7. COMMUNICATION OF THE CODE TO DESIGNATED PERSONS

This Code has been circulated to the Designated Persons to make them aware of their duties and liabilities.

8. TRADING PLAN

As per Regulation 4 of PIT, no insider shall trade in securities of the Company when in possession of unpublished price sensitive information. However, as per regulation 5 of PIT, such insider who may be perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

9. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force. Any such amendments shall be intimated to the Stock Exchange and placed on the Website of the Company.

10. SCOPE AND LIMITATIONS

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or PIT or any other statutory enactments or rules, the provisions of Listing Regulations/Act/PIT or statutory enactments or rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.