

# GRAVITA INDIA LTD

## *Code of Conduct for Prohibition of Insider Trading*

**Code of Conduct for Prevention of Insider Trading  
Gravita India Limited**

**CHAPTER – I**

**1. INTRODUCTION**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as “the Regulations”) make it mandatory for every listed Company to frame a Code of Conduct for prevention of Insider Trading. In pursuance of the said regulations the Company framed Code of Conduct and the same was approved by the Board of Directors at its meeting held on 17th January 2011 and which was further amended on 28th January 2013.

In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 issued by SEBI on 15th January 2015 the following Code of Conduct has been adopted by the Board of Directors of the Company at their meeting held on 23rd May 2015 and shall be effective from 23rd May 2015.

Further, as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 notified on 31<sup>st</sup> December, 2018 and subsequent amendment to Regulations notified on 21<sup>st</sup> January, 2019 the Board of Directors at their meeting held on 31<sup>st</sup> March, 2019 adopted this new code and the said revised code will be applicable from 01<sup>st</sup> April, 2019 and existing code will be applicable upto 31<sup>st</sup> March, 2019.

This Code will be known as “Gravita India Limited Code of Conduct for Prevention of Insider Trading” (hereinafter referred as “Code of Conduct” or “the Code”).

The objective of the Code is to preserve the confidentiality of Unpublished Price Sensitive Information by way of preventing the dealing in Company’s Shares by an Insider either on his own or through some other persons connected with him.

**2. APPLICABILITY OF THE CODE**

This Code shall apply to following persons:

- a) Promoter including members of promoter group,
- b) Directors,
- c) Designated Persons,
- d) Concerned Advisors/Consultants/retainers of the company
- e) Connected Persons

**3. DEFINITIONS**

- a) “Act” means the Securities and Exchange Board of India Act, 1992.
- b) “Board” means the Board of Directors of the Company.
- c) “Code” or “Code of Conduct” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Gravita India Limited as amended from time to time.
- d) “Company” means Gravita India Limited.

- e) "Compliance Officer" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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 Company.

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) “Concerned Advisor/Consultants/Retainers” of the Company means any such Advisors or Consultants or Retainers or Professionals who in opinion of the company may have access to unpublished price sensitive information.

- g) “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:

- an immediate relative of connected persons specified in clause (i); or
- a holding company or associate company or subsidiary company; or
- an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- an investment company, trustee company, asset management company or an employee or director thereof; or
- an official of a stock exchange or of clearing house or corporation; or
- 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
- 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
- an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- a banker of the Company; or
- a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

- h) “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 either as principal or agent.

- i) “Designated Person” refers to all promoters, promoter groups, directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, employees comprising the top three tiers of the Company management and all employees in the Finance&Accounts/Audit, Executive Assistants and Personal Assistants to the Directors/ Senior Management, "UDAAN" Group, Legal & Secretarial, Merger & Acquisition department of the Company, Employees of Material Subsidiaries working in the capacity

of Management Personnel's, Country Head, Plant Manager, Finance & Accounts Department and such other employees, to whom the trading restrictions shall be applicable and who may be able to have access to any 'price sensitive information'.

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:

- immediate relatives.
- persons with whom such designated person(s) shares a material financial relationship.
- Phone, mobile and cell numbers which are used by them.

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.]

- j) “Director” means a member of the Board of Directors of the Company.
- k) “Employee” means every employee of the Company including the Directors in the employment of the Company.
- l) "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis.

**NOTE:** Information published on the website of a stock exchange, would ordinarily be considered generally available.

- m) "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.

**NOTE:** It is intended that the immediate relatives of a “connected person” too become connected persons for purposes of these regulations. Indeed, this is a rebuttable presumption.

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

**NOTE:** Since “generally available information” is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an “insider” regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

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

- p) "Promoter" and "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.
- q) "Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- r) "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.
- s) "Specified Persons" means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relatives s are collectively referred to as Specified Persons.
- t) "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- u) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- v) "Trading Day" means a day on which the recognized stock exchanges are open for trading.
- w) "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, de-listings, disposals and expansion of business and such other transactions;
  - v. Changes in key managerial personnel.

**NOTE:** *It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.*

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), 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.

#### 4. COMMUNICATION OR PROCUREMENT OF “ UNPUBLISHED PRICE SENSITIVE INFORMATION”

- a) 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.
- b) 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.

**NOTE:** *This provision is intended to impose a prohibition on unlawfully procuring possession of unpublished price sensitive information. Inducement and procurement of unpublished price sensitive information not in furtherance of one’s legitimate duties and discharge of obligations would be illegal under this provision.*

- c) Notwithstanding anything contained in the Code, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–
  - i. entail an obligation to make an open offer under the takeover regulations where the board of directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company;

**NOTE:** *It is intended to acknowledge the necessity of communicating, providing, allowing access to or procuring UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to assess a potential investment. In an open offer under the takeover regulations, not only would the same price be made available to all shareholders of the company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations.*

- ii. not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that the sharing of such information is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available atleast two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.
- d) For the purpose of the above clause, the parties shall be required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause (c) and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
- e) The board of directors has ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be 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 databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- f) For the purpose of prompt public disclosure of UPSI, the board has adopted “Code of practices and procedures for Fair Disclosure of unpublished price sensitive information” as per prescribed

Regulations and annexed as “**Schedule A**” to this code along with policy for determination of “legitimate purposes” which is annexed as “**Schedule A1**” to this code.

“Legitimate purpose”- the term “legitimate purpose” 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 these regulations.

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

- g) Further, Board has approved policy for procedure for inquiry in case of leak of unpublished price sensitive information (“UPSI”) as per prescribed Regulations, and annexed as “**Schedule B**” to this code.

## 5. TRADING RESTRICTIONS

- a) 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.

Explanation –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.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

- The transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of above clause of this code of company and both parties had made a conscious and informed trade decision.
- Provided that such unpublished price sensitive information was not obtained under sub clause (c) of clause 4 as defined in this code.
- Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every 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.
- The transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of sub- clause( c ) of clause 4 under this code and both parties had made a conscious and informed trade decision;
- Provided that such unpublished price sensitive information was not obtained by either person under sub regulation (3) of regulation 3 of these regulations
- The transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- The transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

b) Prohibition on forward dealings in securities by Director or KMP

No Director/ Key Managerial Personnel of the company shall buy in the company or in its subsidiary or associate company—

- a right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
- a right, as he/ she may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

Explanation—For the purposes of this clause, “relevant shares” and “relevant debentures” mean shares and debentures of the company in which the concerned person is a Whole-time Director or other Key Managerial Personnel or shares and debentures of the subsidiary companies

## 6. Trading Plan

- An insider shall be 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.
- Such Trading Plan shall:
  - not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - 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 issuer of the securities and the second trading day after the disclosure of such financial results;
  - entail trading for a period of not less than twelve months;
  - not entail overlap of any period for which another trading plan is already in existence;
  - 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
  - not entail trading in securities for market abuse.
- The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

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.

- iv. The Trading Plan once approved shall be irrevocable and the 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 be commenced, if at the time of formulation of the plan, the Insider is in possession 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. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

- v. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## 7. TRADING WINDOW

- a) The trading period, i.e. the trading period of the stock exchanges, called ‘trading window’, is available for trading in the Company’s securities.
  - i. The trading window shall be, inter alia, closed from the date of announcement of Board Meeting to stock exchanges to be held for the purpose of discussion of Unpublished Price Sensitive Information and during the time the unpublished price sensitive information is published.
  - ii. When the trading window is closed, the Specified Persons shall not trade in the Company’s securities in such period.
  - iii. All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company’s securities during the periods when the trading window is closed, & Insider Trading Code Gravita India Ltd as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.
  - iv. The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.
- b) The Compliance Officer shall also close the Trading Window when he 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.
- c) The trading restriction period can also 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.
- d) In case of 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 trading is closed.
- e) The Compliance Officer shall intimate the closure of trading window to all the designated persons of the Company when he 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.

- f) The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.
- g) The trading window shall also be applicable to 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.

#### **8. PRE-CLEARANCE OF TRADES**

All Directors / Officers / Designated Employees of the Company (including their dependents) are required to pre-clear their trades (acquisitions / purchase / sale transactions) as per the preclearance procedure described hereunder, if their cumulative dealings on a single day exceeds the threshold limit of Rs. 10 Lakhs in value or 25,000 Equity Shares of Rs. 2/- each, whichever is lower.

#### **9. PRE-DEALING PROCEDURE**

- All Specified Persons of the Company intending to deal in the shares of the Company exceeding the threshold limit will have to make an application to the Compliance Officer in the prescribed form for pre-clearance of the transaction in the format as set out in **Annexure – 1** incorporating, inter alia, the following clauses:
  - Name and estimated number of shares that the Specified Persons intends to deal in,
  - Details as to the depository with which he / she has a security account, and
  - Such other details as may be required by any rules as framed from time to time.
- Such Specified Persons shall execute an undertaking in the format as set out in **Annexure – 2** in favour of the Company incorporating, inter alia, the following clauses, as may be applicable:
  - That the employee / director / officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
  - That in case the Specified Person has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance officer of the change in his position and that he / she would completely refrain from dealing in the shares of the Company till the time such information becomes public.
  - That he / she has not contravened the Code of conduct for prevention of insider trading as notified by the Company from time to time.
  - That he / she has made a full and true disclosure in the matter.

The Compliance Officer shall on receiving an application for pre-clearance provide the Director, Officer and Designated Employee, with an acknowledgement of the application.

The Compliance Officer shall scrutinize the pre-clearance application and grant approval within 2 days from the date of acknowledgement in the format as set out in **Annexure - 3**.

The consent may be withheld by the Compliance Officer, if he / she find the proposed deal is on the basis of possession of any unpublished Price sensitive information. However, he/she is not obliged to give reasons for withholding his / her consent.

The Compliance Officer shall retain copies of all applications and approvals.

- All designated employees / directors / officers and their dependants shall execute the order in respect of the shares of the Company within one week of approval of pre-clearance, *failing which it will have to be cleared again.*

#### **10. Minimum Period for holding of Securities**

- All Specified Persons who buy or sell 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.
- All Specified Persons shall also not take positions in derivative transactions in the shares of the Company 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 Protection and Education Fund administered by SEBI under the Act.
- In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
- 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.

Application of waiver shall be in the format as set out in **Annexure – 4.**

**CHAPTER IV**

**REPORTING & DISCLOSURE REQUIREMENTS**

**11. Disclosures to the Company**

**(i) Initial Disclosure**

<b>By whom</b>	<b>What to be disclosed</b>	<b>When to be disclosed</b>	<b>Form prescribed (Annexure-5)</b>
Promoter/ member of promoter group/Director/ KMP to the Compliance Officer	Holding of securities of the Company as on the date of this Code taking effect.	Within thirty days of this Code taking effect.	Form A
Promoter/ member of promoter group Director/ KMP to the Compliance Officer	Holding of securities of the Company as on date of appointment or becoming Promoter	Within seven days of such appointment or of becoming Promoter	Form B

**(ii) Continual Disclosures**

<b>By whom</b>	<b>What to be disclosed</b>	<b>When to be disclosed</b>	<b>Form prescribed (Annexure-5)</b>
Promoter/ member of promoter group/ Designated persons to the Compliance Officer	Number of such securities acquired or disposed	Within 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 in excess of Rs. 10 lakh or such other value as may be specified.	Form C
Company	Details of above disclosure	Within two trading days of receipt of disclosure or becoming aware of such disclosure	

**(iii) Half-yearly and Yearly Disclosures**

<b>By whom</b>	<b>What to be disclosed</b>	<b>When to be disclosed</b>	<b>Form prescribed (Annexure-5)</b>
Directors, Officers/Promoters/Part of Promoter Group and Designated Employees	Details of shares transacted by them and by their dependant family members	Half-yearly (i.e. within 30 days from the close of 30th September every year)	Form D
Directors, Officers/Promoters/Part of Promoter Group and Designated Employees	Annual statement of all shares held by them and by their dependant family members	Within 30 days of the end of 31st March every year	Form E

**12. Disclosures by the Company to Stock Exchanges**

The Compliance Officer will intimate the information received under Clause 11 (i) and (ii) as above to all the Stock Exchanges through physical/electronic mode in accordance with the system devised by the Stock Exchanges on which the shares of Gravita India Limited are listed within 2 (two) working days of receiving the same.

**CHAPTER V**

**NON-COMPLIANCE AND PENALTIES**

**13. PENALTIES**

Any Director, Officer or Designated Employee who trades in shares or communicates any information for trading in shares, in contravention of this Code may be penalized and appropriate action may be taken against him by the Company.

Directors, Officers and Designated Employees of the Company who violate this Code shall also be subject to disciplinary action by the Company, which may include wage/ salary freeze, suspension, withholding of promotions, or any other suitable mode to deter others from non-compliance of the Code.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading), Regulations, 2015.

**14. REPORTING TO SEBI IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

In case a violation of the regulations is observed, the Company and / or Compliance Officer shall immediately report the same to SEBI.

**SCHEDULE A****Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information  
[Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]**

1. To promptly make 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. To ensure that Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary of the Company has been designated as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. To promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. To provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. To ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. To develop 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. To handle all unpublished price sensitive information on a need-to-know basis.

## SCHEDULE A1

### POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

#### 1. PREFACE

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

#### 2. OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

#### 3. DEFINITION

- a) "Legitimate Purposes" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:
- i. Promoters of the Company
  - ii. Auditors (Statutory, Internal, Cost, Secretarial, GST and any other Auditor as applicable)
  - iii. Staff Members of the Audit firm/team conducting the Audit
  - iv. Collaborators
  - v. Lenders
  - vi. Customers
  - vii. Suppliers
  - viii. Bankers
  - ix. Legal Advisors
  - x. Insolvency Professionals
  - xi. Consultants
  - xii. Any other advisors/consultants/partners
  - xiii. Any other person with whom UPSI is shared
- b) "Insider"- Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

#### 4. DIGITAL DATABASE

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

## **5. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

The board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

## **6. AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

**SCHEDULE B**  
**POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**  
**(“UPSI”)**  
**[Under Regulation 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]**

**1. BACKGROUND**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of Gravita India Limited have laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information (‘the policy’), for adoption.

**2. OBJECTIVES**

- i. To strengthen the internal control system to prevent leak of UPSI.
- ii. To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- e) Changes in key managerial personnel.

#### **5. DUTIES OF CHIEF INVESTOR RELATIONS OFFICER**

The Chief Investor Relations Officer shall be responsible to:

- i. Oversee the Compliance of this policy.
- ii. Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.
- iii. Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- iv. To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee

#### **6. DISCLOSURE OF ACTUAL OF SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:**

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Chief Investor Relations Officer shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed.

#### **7. REPORT OF ACTUAL OF SUSPECTED LEAK OF UPSI TO SEBI**

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Chief Investor Relations Officer shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI.

#### **8. CONSTITUTION OF ENQUIRY COMMITTEE**

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a committee to be called as "Enquiry Committee". The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Executive Officer and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by the members of the Committee.

#### **9. DUTIES OF ENQUIRY COMMITTEE:**

The Enquiry Committee shall be responsible-:

- a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- b) To authorize any person to collect necessary support material; and
- c) To decide disciplinary action thereon.

#### **10. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:**

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person, the Chief Investor Relations Officer after informing the same to the Managing Director or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure-:

**a) Preliminary Enquiry:**

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action

The Enquiry Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

**b) Report of Preliminary Enquiry to the Enquiry Committee:**

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.

**c) Disciplinary Action:**

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

**11. AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

**FORMS/ANNEXURES**

**Annexure – 1**

**APPLICATION FOR PRE-DEALING  
(For use by Directors/Officers/Designated person)**

Date:.....

To  
The Compliance Officer  
Gravita India Limited  
Jaipur

**Subject: Pre-dealing approval as required under 'Gravita India Limited Code of Conduct for Prohibition of Insider Trading'**

Dear Sir / Ma'am

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code of Conduct for Prevention of Insider Trading, I am desirous of dealing in the below mentioned shares of the Company in my own name or on behalf of my dependant family member (write name of family member and relationship) and seek your approval to acquire/purchase/sell them:

Number of shares	Market price	Mode of acquisition/purchase /sale/physical/ Demat	Date by which trade is proposed to be executed	Folio No./DP ID/Client ID along with the name of Depository	Present holding (Number of shares)	
					Physical	Demat

In relation to above, I seek your approval to acquire/purchase/sell these shares.

Yours faithfully

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

**Name:** \_\_\_\_\_

**Employee No.:** \_\_\_\_\_

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

**Department:** \_\_\_\_\_

**Location:** \_\_\_\_\_

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\*DELETE WHICHEVER IS NOT APPLICABLE

**Annexure – 2**

**UNDERTAKING**  
**(For use by Directors/Officers/Designated Person)**

I, the undersigned, hereby undertake and represent that:

1. I have no access to nor do I and my dependants have any information that could be construed as “Price Sensitive Information” as defined in ‘Gravita India Limited Code of Conduct for prohibition of Insider Trading (the Code)’;
2. If following the execution of such undertaking but before the completion of the proposed transaction, I have access to, or receive Price Sensitive Information, I shall inform the Compliance Officer of the change in my position and I shall completely refrain from trading in securities of the company until such information becomes public;
3. I have not contravened the Code as notified by the Company from time to time and also the SEBI (Prohibition of Insider Trading), Regulations, 1992.
4. I have made a full and true disclosure in my application.
5. If approval is granted, I shall execute the transaction within 7 (seven) days of the approval, failing which I shall again seek pre-clearance.
6. I shall inform the Company within 2 (two) working days of the execution of the transaction in the prescribed form.

I am aware that I shall be liable to face penal consequences as set forth in the Code, in case the above declaration is found to be false or incorrect at any time.

I hereby indemnify the Company and its Directors from and against any penalties imposed on them by the Securities and Exchange Board of India and/or any other statutory authority as a result of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company’s Code of Conduct.

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

**Name:** \_\_\_\_\_

**Employee No.:** \_\_\_\_\_

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

**Department:** \_\_\_\_\_

**Location:** \_\_\_\_\_

**Annexure – 3**

**PRE-DEALING APPROVAL**

Date:  
Ref. No.:

To  
Mr./Ms. \_\_\_\_\_  
Employee Code No.: \_\_\_\_\_  
Designation \_\_\_\_\_  
Location \_\_\_\_\_

**Subject: Approval / rejection of application dated..... for pre-dealing approval.**

With reference to your application dated \_\_\_\_\_ seeking approval for undertaking certain transactions in the equity shares of the Company, please be informed that you are hereby permitted to undertake the said transaction(s). You may buy/sell in not more than \_\_\_\_\_ equity shares of the company pursuant to this approval letter.

This approval is being issued relying on the various declarations and indemnities made by you in your said application.

This approval letter is valid till \_\_\_\_\_ (i.e. for 7 days). If you don't execute the approved transaction /deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction / deal in the securities of the Company. Further, you are required to inform the undersigned the details of the executed transactions within 2 (two) working days of the execution, in the prescribed form.

OR

With reference to your application dated \_\_\_\_\_ seeking approval for undertaking certain transactions in the equity shares of the Company, please be informed that your application has been rejected due to .....(reason of rejection).....

N.B.: Please take note that you shall not execute any opposite transaction to the above approval during next 6 months from the date of present transaction.

**For Gravita India Limited**

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Compliance Officer

**Annexure – 4**

**APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD  
(For use by Directors/Officers/Designated Person)**

Date:

To  
The Compliance Officer  
Gravita India Limited  
Jaipur

The undersigned holds \_\_\_\_ Equity Shares of the Company. As per the provisions of the 'Gravita India Limited Code of Conduct for Prohibition of Insider Trading' the shares are to be held for a minimum period of Six months (6 months). The said period has not yet elapsed, after the acquisition of the same.

I desire to sell \_\_\_\_\_ Equity Shares out of the above shares on account of \_\_\_\_\_ (give reasons which should show personal emergency).

I confirm that I do not possess any unpublished price sensitive information about the Company as on date.

In view of the above, I request you to grant me waiver of the minimum holding period of Six Months as required under the Code.

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

**Name:** \_\_\_\_\_

**Employee No.:** \_\_\_\_\_

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

**Department:** \_\_\_\_\_

**Location:** \_\_\_\_\_

For office use:

**ORDER**

**WAIVER GRANTED / NOT GRANTED** \_\_\_\_\_

**REASON (S) IF ANY** \_\_\_\_\_

**For Gravita India Limited**

NO.: \_\_\_\_\_

DATE: \_\_\_\_\_

Compliance Officer