# NIS MANAGEMENT LIMITED

# CODE OF CONDUCT FOR INSIDER TRAINING

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*Approved by the Board on 12.08.2024*

## 1. INTRODUCTION

1.1 The Securities and Exchange Board of India ("SEBI"), for protection of investors and to regulate the securities market, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The Regulations") under the powers conferred on it under the SEBI Act, 1992. These Regulations come into force w.e.f. 15 May 2015, and the same is applicable on to all companies whose shares are listed on Indian Stock Exchanges.

1.2 **Regulation 9** mandate every Listed Company to formulate, code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to the regulations.

1.3 Accordingly, the Board has adopted the Code at its meeting held on 11 December which can be amended from time to time and shall come into effect from the date of listing of the Equity Shares of the Company.

## 2. DEFINITION

**2.1.** Unless the context otherwise requires, the following words, expression and derivations shall have the meaning assigned to them as under:

a. **"Act"** means the Securities and Exchange Board of India Act, 1992.

b. **"Board"** means Security and Exchange Board of India.

c. **"Compliance Officer"** means Company Secretary of the Company or such other senior officer as may be appointed by the Board of Directors of the Company under SEBI (LODR) 2015 Regulations.

d. **"Connected person"** means -

   i. any person who is or has during the **six months** prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly ,access to unpublished price sensitive information or is reasonably expected to allow such access.

   ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,-

      a. an immediate relative of connected persons specified in clause (i); or

      b. a holding company or associate company or subsidiary company; or

      c. an intermediary as specified in **section 12** of the Actor 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;

***NOTE:*** *It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.*

e. **"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.

f. **"Designated Person(s)",** means:
   (i) Promoters of the Company;
   (ii) Directors of the Company and its subsidiaries;
   (iii) KMP of the company and Executive Secretaries of Directors;
   (iv) Secretaries / Executive Assistants/ Personal Assistants of CEO, Managing Director, Whole Time Director, Chief Financial Officer (CFO), Presidents, Vice Presidents.
   (v) Chief Executive Officer and All Employees up to two levels below of Chief Executive Officer of the Company and its material subsidiaries, if any, irrespective of their functional role in the Company;
   (vi) Immediate Relatives of persons specified in (i) to (v) above.
   (vii) Any other Person designated by the Company on the basis of their functional role and such function would provide access to UPSI.

g. **"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;

h. **"Insider"** means any person who is:
   (i) a connected person; or
   (ii) in possession of or having access to unpublished price sensitive information;

i. **"Need to Know Basis"** means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

j. **"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, delisting's, disposals and expansion of business and such other transactions;
   (v) changes in key managerial personnel.

2.2. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, or the Companies Act, 2013 and any other rules and regulations as drafted by SEBI from time to time be made shall have the meanings respectively assigned to them in those legislation.

2.3. In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

## 3. DUTIES OF COMPLAINCE OFFICER

3.1 The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for preservation of Unpublished Price-sensitive Information, preclearing of trades by Designated Persons, monitoring of trades and the implementation of the code under the overall supervision of the Board of Directors of the Company.\

3.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Designated Persons for a minimum period of five years.

3.3 The Compliance officer may in consultation with the Co - Chairman / Managing Director and shall as directed by the Board, specifies "Prohibited Period" from time to time and immediately makes an announcement thereof and shall maintain a record of "Prohibited Period" specified from time to time.

3.4 The Compliance Officer shall place report on insider trading to the Board of Directors for the purpose of the Code and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board annually or at such frequency as may be stipulated by the board of directors.

3.5 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulation and Company's Code of Conduct.

## 4. PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

4.1 All price sensitive information shall be handled within the Company on a "Need to Know basis" and no unpublished price sensitive information (UPSI) shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

4.2 Any person in receipt of unpublished price sensitive information pursuant to "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.

4.3 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

4.4 Notwithstanding contained in 4.1, UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

a) entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that sharing of such information is in the best interests of the company.

b) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that 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 at least 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.

## 5. PROHIBITIONS ON TRADING OF SECURITIES

5.1 No insider, either on his own behalf, or on behalf of any other person shall trade in the Securities of the Company when in possession of Unpublished Price Sensitive Information.

However, trading in following cases is allowed i.e., restriction mentioned above is not applicable in following cases:

a) Transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without breach of Regulation 3 of Insider Trading Regulation mentioned herein and both parties had made a conscious and informed trade decision.

***Provided that*** *such unpublished price sensitive information was not obtained under 4.4 of this Code and such off-market trades are required to 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.*

b) 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 regulation 3 of Insider Trading Regulation 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 4.4 of this Code.

c) transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

d) 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.

e) in the case of non-individual insiders: –

I. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

II. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached.

f) Trades is pursuant to Trading Plan made in accordance with Insider Regulation.

## 6. TRADING PLAN

6.1 An insider 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.

Such trading plan shall: –

(i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan.

(ii) 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.

(iii) entail trading for a period of not less than twelve months.

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

(v) 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

(vi) not entail trading in securities for market abuse.

6.2 The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of Insider Trading 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.

6.3 The trading plan once approved shall be irrevocable and the inside 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.

***Provided that*** *the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information.*

6.4 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

7.1 The trading period during which DD's securities can be traded is called **trading window**. The trading window shall be closed during the time the price sensitive information is un-published.

7.2 When the trading window is closed, the **Designated Persons** (including their immediate relatives) shall **not trade** in DD's securities in such period.

7.3 The trading window shall be, inter-alia **closed** at the time of:

a) Declaration of **Financial results**
b) Declaration of **dividends** (interim and final)
c) Change in **capital structure**
d) Mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business
e) Changes in **key managerial personnel**
f) Such other time as the **compliance officer determines** that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.

7.4 The Compliance Officer shall also close the trading window when he / she 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.

7.5 The trading window shall be **opened 48 (Forty-Eight) hours** after the UPSI becomes generally available.

The trading window shall also be applicable to any person having **contractual or fiduciary relation** with DD, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising DD.

7.6 The Compliance Officer after taking into account various factors including the UPSI 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**48 (Forty-Eight) hours** after the information becomes generally available.

7.7 However, subject to the SEBI Act, Rules, and Regulations, in case of **ESOP**, exercise of options shall be allowed during the period when the trading window is closed. However, sale of shares allotted on exercise of ESOP's shall not be allowed when the trading window is closed.

7.8 **Creation of pledge** is allowed when trading window is closed. However, the pledger or pledgee may demonstrate that the creation of pledge was bona fide and prove their innocence under proviso to sub-regulation (1) of regulation 4 of the Insider Regulation.

## 8. PRE-CLEARANCE OF TRADES

8.1 All Designated Persons who intend to trade in the **securities of DD** (either in their own name or in any immediate relative's name) i.e., buy or sell securities and if value of the securities likely to be traded, whether in one transaction or a series of transactions in calendar quarter, aggregates to a traded value in excess of **Rs. 10,00,000 (Rupees Ten Lakh Only),** shall make an application for pre-clearance in the format set out in **Annexure A** to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which he / she has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of unpublished price sensitive information.

**Provided that** the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However, for any subsequent sale of shares acquired under **ESOP scheme**, pre-clearance shall be applicable as per limits prescribed as above

8.2 No designated person shall apply for pre-clearance of any proposed trade, if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

8.3 The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.

8.4 All Designated Persons of DD and their immediate relatives shall execute their order in respect of securities of DD **within 7 (seven) trading days** after the approval of pre-clearance is given. If the order is not executed **within 7 (seven) trading days** after the approval is given, the employee must obtain the pre-clearance for the transaction again.

## 9. REPORTING REQUIREMENT

### 9.1 Initial Disclosure

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.

### 9.2 Continual Disclosures

a) Every promoter, member of the promoter group, designated person and director of every company shall **disclose** to the company the number of such securities acquired or disposed of **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 ten lakh rupees** or such other value as may be specified;

b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

c) The above disclosures shall be made in such form and such manner as may be specified by the Board from time to time.

## 10. AMENDMENT TO THIS CODE

The Board of Directors (including Management Committee of the Board of Directors) is authorised to change/amend this Code from time to time at its sole discretion and/or in pursuance of any amendments made in the SEBI (Prohibition of Insider Trading) Regulations, 2015.



**Name – Debajit Choudhury**
**Managing Director**
**DIN: 00932489**

**ANNEXURE-1**

**APPLICATION FOR PRE-TRADING APPROVAL**

To,
The Compliance Officer,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase / sell / subscribe _____ equity shares of the Company as per details given below:

| | | |
|---|---|---|
| 1. Name of the applicant | : | |
| 2. Designation: | | |
| 3. Number of securities held as on date | : | |
| 4. Folio No. / DP ID / Client ID No | : | |
| 5. The proposal is for | : | (a) Purchase of securities<br>(b) Subscription to securities<br>(c) Sale of securities |
| 6. Proposed date of trading in securities | : | |
| 7. Estimated number of securities proposed To be purchased/subscribed/sold | | |
| 8. Current market price (As on date of application) | : | |
| 9. Whether the proposed transaction will be through stock exchange or off-market trade | : | |
| 10. Folio No. / DP ID / Client ID No. where the securities will be credited / debited. | : | |

I enclose herewith the Undertaking signed by me.

**Signature:** _____
**Name:**
**Date:**