

Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives

Version 1.0

DOCUMENT OWNER, VERSION CONTROL & REVIEW PROCESS

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1. PREAMBLE

SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, (the “Regulations”) require the board of directors of every listed company to formulate a code of conduct to regulate, monitor and report trading by its designated persons and their immediate relatives by adopting the minimum standards set out in Schedule B to the Regulations.

The Board of Directors of Annapurna Finance Private Limited (“AFPL” or “the Company”) accordingly, approved a Code on February 9, namely, the Code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives, which is in force effective from its applicability.

2. OBJECTIVE

The objective of this Code is to strive for preservation of confidentiality of ‘UNPUBLISHED PRICE SENSITIVE INFORMATION’ (UPSI) and to prevent misuse of such information as trading with insider information is not only illegal, but also tarnishes the credibility of the Organization.

3. DEFINITIONS & INTERPRETATIONS

In this Code, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:

“**Act**” means the Securities and Exchange Board of India Act, 1992, as amended from time to time.

“**Board**” means the Board of Directors of the Company.

“**Compliance Officer**” for the purpose of the Regulations and this Code shall mean the Company Secretary of the Company or any other senior officer of the Company designated as such by the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations.

“**Designated Persons**” mean and include such persons (who are reasonably expected to have access to or could access Unpublished Price Sensitive Information about the Company on the basis of their role and function in the Company and its material subsidiaries in addition to seniority and professional designation) as may be specified by the Board in consultation with the Compliance Officer from time to time but shall, at all times, include the directors of the Company and its material subsidiaries and the following:

- All employees in the grade of Senior Vice President and above including CFO & COO of the Company and its material subsidiaries;
- All employees in the grade of Senior Vice President in the Department of Corporate Finance, Corporate Accounts, Corporate Human Resource, Share & Secretarial, Taxation (Direct & Indirect), Corporate Legal, Information Technology, Product Research & Development of the Company and its material subsidiaries;

- All Executive Assistants (EAs) and Personal Assistants (PAs) of the Executive Directors, Senior Vice Presidents, Functional Heads of the Company and its material subsidiaries;
- Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company and its material subsidiaries.
- All Promoters of the Company

“Immediate Relative” shall have the same meaning as defined in the Regulations.

“Proposed to be listed” shall include securities of an unlisted company:

- (i) if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or
- (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;

“Securities” include—

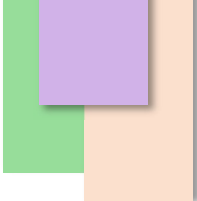
- shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- derivative;
- units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- Government securities;
- such other instruments as may be declared by the Central Government to be securities; and rights or interest in securities;

“Trading Plan” is a plan formulated by an Insider and presented to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on behalf of the Insider in accordance with such plan as per Regulation 5(1) of the Regulations.

“Trading Window” means a period to be specified by the Company in which trading in securities can be done by the Designated Persons either directly or through their Immediate Relatives.

“Trading window closure period” shall be the period during which trading window remains closed for the designated persons.

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neutral gender.



Words and expressions used but not defined in this Code shall have the same meaning as ascribed to them in the Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Act, the Securities Contracts (Regulation) Act, 1956, or the Companies Act, 2013 and the rules / regulations made thereunder, as the case may be or in any subsequent amendment thereto. This Code shall be subject to such clarifications, informal guidance and FAQs as may be issued by SEBI from time to time.

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4. APPLICABILITY AND COMMENCEMENT

This Code of Conduct shall be applicable to all designated persons of the Company and its material subsidiaries and their immediate relatives.

5. POLICY

1. No Designated Persons and immediate relatives of Designated Persons - when in possession of any UPSI about, or in relation to the Company or its securities shall:

- Trade or deal in the securities of the Company which are listed or proposed to be listed, either on his/her behalf or on behalf of any other person;
- Communicate, provide or allow access to, or counsel, directly or indirectly, any unpublished information relating to the Company or any of its securities, listed or proposed to be listed, to any other person, except on a need to know basis in furtherance of legitimate purposes; in performance of duties or discharge of any legal obligations in relation to the Company.

2. All designated persons and their immediate relatives shall conduct their trading in the securities of the Company only during or in a valid trading window strictly in compliance with this Code.

3. In case a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

6. ROLE OF THE COMPLIANCE OFFICER

The Compliance Officer shall report to the Board of Directors of the Company and shall provide reports on compliances of the Regulations to the Audit Committee on an annual basis.

The Compliance Officer shall provide clarifications sought for under the Regulations or this Code to the concerned, to the extent possible.

The Compliance Officer shall preserve the disclosures received and submitted, as applicable or if any, to the concerned Stock Exchanges for a minimum period of five years.

The Compliance Officer shall monitor and ensure compliance of this Code.

7. TRADING WINDOW

- During such period when the trading window is closed, the Designated Persons and their immediate relatives shall not trade in the securities of the Company. It is the duty of the Designated Persons to inform their immediate relatives about the closure of Trading Window and ensure that they do not trade in the securities of the Company.
- The Trading Window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results.
- In addition to the above, the Trading Window may be closed when the Compliance Officer determines that a Designated or a class of Designated Persons are reasonably expected to be in possession of UPSI. The time for re-opening of the Trading Window shall be determined by the Compliance Officer after analyzing various factors including the fact that the Unpublished Price Sensitive Information has become accessible to the public on a non-discriminatory basis and being capable of assimilation by the market and such time for re-opening of the Trading Window shall not be in any event earlier than 48 (forty eight) hours after the Unpublished Price Sensitive Information has become accessible to the public on a non-discriminatory basis.
- The Trading Window to deal in the securities of the Company shall also be applicable to any other person as may be specified by the Company / determined by the Board / the Compliance Officer.
- The Compliance Officer will notify the Designated Persons and such other persons as mentioned hereinabove, about closure and opening of Trading Window and will also inform the Stock Exchanges simultaneously.
- The Audit Committee Meeting and the Board Meeting in which financial results / statements are considered shall be held preferably on the same day, except in the following case but subject to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the Companies Act, 2013 (as amended) :

- Where the Audit Committee Meeting and the Board Meeting are held on different days owing to lack of quorum / owing to length of discussion.

The trading window restrictions mentioned in this Code shall not apply in respect of:

- transactions specified in clauses (i) to (iv) and (vi) of the proviso to Regulation 4(1) of the Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the respective SEBI regulations;

- transactions which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer, offer for sale, transactions of right entitlement or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

8. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

- All information shall be handled within the Company on a need-to-know basis. Need-to-know basis means that UPSI should be disclosed only to those persons within the Company who need to know the information to discharge their duties and whose possession of such information is not likely to give rise to a conflict of interest or appearance of misuse of the information.
- All non-public information directly received by any employee should immediately be reported to the head of his department / reporting manager.
- No UPSI shall be communicated to any person except as prescribed under this Code.
- UPSI may also be communicated, provided, allowed access to or procured, in connection with a transaction as provided under Regulation 3(3) of the Regulations, subject to such conditions as mentioned thereunder.
- However, any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of the Codes and due notice shall be given to such person to maintain confidentiality of UPSI in compliance with the Code and the Regulations or shall be required to execute agreement to maintain confidentiality or non-disclosure obligations to keep information so received confidential, except for the purposes prescribed in the Regulations and notwithstanding anything contained elsewhere in this Code, shall not trade in securities of the Company while in possession of UPSI.
- Limited access to confidential information – Adequate restriction shall be placed on communication or procurement of UPSI and files containing confidential information shall be kept.

9. TRADING IN SECURITIES BY DESIGNATED PERSONS

The Designated Persons and their immediate relatives may trade in securities of the Company subject to compliance of the following procedure:

- The Designated Persons may be of two types- (i) who possesses any Unpublished Price Sensitive Information; and (ii) who doesn't have any Unpublished Price Sensitive Information.

- Any Designated Person who is in possession of any Unpublished Price Sensitive Information is prohibited from trading either directly or through their immediate relatives.
- In the event of a Designated Person not possessing any Unpublished Price Sensitive Information, trading is permitted, subject to this Code and the Regulations. However, the Designated Person shall require a pre-clearance from the Compliance Officer in case the quantum of trade (executed directly or through their immediate relatives) exceeds or likely to exceed Rs. 10,00,000/- (Rupees Ten Lac only) (market value), whether in one transaction or a series of transactions over any calendar quarter, either individually or in aggregate. The Designated Person may submit an application in the prescribed format for pre-clearance to the Compliance Officer in compliance with the requirements of this Code and upon approval thereof may execute the trade within seven trading days from the date of receipt of such approval.
- The Designated Person has to make an application to the Compliance officer asking for a pre-clearance, once received the Compliance officer needs to grant / reject permission within two trading days.
- The Designated Person has to inform the Company about the transactions (executed directly or through their immediate relatives) after receiving the pre-clearance approval within three days of execution of transaction.
- The Designated Person or their immediate relatives can also trade without taking a pre-clearance from the Compliance Officer in case the trade value is upto / below Rs. 10,00,000/- (Rupees Ten Lac only) (market value), whether in one transaction or a series of transactions over any calendar quarter, either individually or in aggregate but no contra trade shall be allowed in six months of the prior transaction.
- In the event a Designated Person executes a contra trade as described hereinabove, inadvertently or otherwise, in violation of the restriction specified in this Code, the profits from such a Trade shall be liable to be disgorged for remittance to SEBI for credit to Investor Protection and Education Fund administered by SEBI under the Act. However, this shall not be applicable for trades carried pursuant to exercise of stock options.
- Format of Pre-Clearance Application form and the format of Undertaking to be submitted by the Designated Person; Format for Disclosure of transaction, which needs to be furnished to the Compliance Officer within three trading days from the date of transaction; In case the Designated Person does not trade (executed directly or through their immediate relatives), he/she has to submit a NIL report stating reasons as to why no transaction was executed shall be provided by the Company.
- Designated Persons or their immediate relatives shall not, at any time, take any position in derivatives of the securities of the Company.

10. CHINESE WALL PROCEDURE

- To prevent the misuse of confidential information, the Company shall adopt the “Chinese Wall” policy which separates those areas of the functions which routinely have access to confidential information, considered “inside areas” from those areas which deal with sales / marketing / investment advice or other departments providing support services, considered “public areas”.
- The employees in the “inside areas” shall not communicate any Unpublished Price Sensitive Information to anyone in “public areas”. The employees in the “inside areas” may be physically segregated from employees in “public areas”.
- In exceptional circumstances, employees from the “public areas” may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the Compliance Officer.
- Periodically, concerned individuals within the Company, would be made aware of the duties and responsibilities attached to receipt of UPSI and the liability attached to any misuse or unwarranted use of such information.

11. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

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 in the Company as on the date of appointment or becoming a Promoter or member of the promoter group, to the Company within seven days of such appointment or becoming a Promoter or member of the promoter group in the SEBI prescribed Form.

2. Continual Disclosure

Every Promoter, member of the Promoter Group, Designated Persons and Director of the Company shall disclose to the Company, the number of 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 Rs. 10,00,000/- (Rupees Ten lac only) or such other value as may be specified in the SEBI prescribed Form.

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 securities.

Note: a. Transactions should be disclosed on incremental basis after the earlier transaction crossed the prescribed threshold limit.

b. Transactions relating to dealing in securities of the Company by way of Pledge / Revoke/ Invoke, etc. are covered.

3. Disclosures by other connected persons

The Audit Committee / the Compliance Officer, at their/his discretion, may require any other connected person or class of connected persons to make disclosures of his holding and trading in the securities of the Company in the SEBI prescribed Form and at such frequency as determined by the Audit Committee / the Compliance Officer, as the case may be.

12. OTHER DISCLOSURES

1. Designated Persons shall disclose names and Permanent Account Number (if PAN is not available, any other identifier authorized by law) of the following persons to the Company on an annual basis (by 30th April every year) 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 or other contact details which are used by them.

2. In addition to the above, the educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

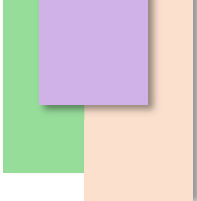
Note: The term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.

13. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

1. The Compliance Officer in consultation with the Chief Executive Officer / the Executive Director 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.

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

- a. Identification of the designated employees from time-to-time who may have UPSI.
- b. Identification of UPSI from time-to-time and maintenance of its confidentiality.
- c. Placement of adequate restrictions on communication or procurement of UPSI.



d. Maintenance of internal and structured digital database containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons or entities as the case may be with whom UPSI is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The digital database shall be preserved for a period of not less than eight years after completion of the relevant transactions. However, in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the digital database shall be preserved till the completion of such proceedings.

e. Notice of confidentiality or execution of non-disclosure agreements with all the persons with whom UPSI has been shared and a list of such persons shall be maintained.

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

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

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.

14. VIOLATION OF THE CODE OF CONDUCT

- Every Designated Person shall be individually responsible for complying with the provisions of this Code for himself and his immediate relatives (to the extent the provisions hereof are applicable to their immediate relatives and notwithstanding any action the Company may have against them). The Designated Person shall also be responsible for penal action against him for violations by his immediate relatives.
- Any contravention of this code would attract internal disciplinary actions by the Company including wage freeze, suspension, recovery etc., as may be imposed and decided by the Audit Committee. Disciplinary Actions may differ from case to case and shall be based on the severity of violation, frequency of violation, circumstances of violation, degree of abuse, etc.
- Any amount collected under aforesaid clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- The action taken by the Company shall not preclude SEBI and other Regulatory authorities from taking any action in case of violation of this code / SEBI (Prohibition of Insider Trading) Regulations, 2015.
- In case of violation of this code, Penalty prescribed under SEBI Act, 1992 shall be levied by SEBI in addition to all such other action as may be taken.

- In case it is observed that there is a violation of the Regulations, necessary information shall be given promptly by the Company to the stock exchange(s) where the securities of the Company are traded, in such form and such manner as may be specified by SEBI from time to time.

15. CLARIFICATIONS

This Code has been formulated as per prevailing provisions of SEBI PIT Regulations. However, if, due to subsequent changes in the law, a particular part thereof becomes inconsistent with the law, in such case the provisions of the law will prevail.

