



## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

### INTRODUCTION

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”), requires every listed company to formulate a code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of the designated persons. The Code of Conduct to regulate, monitor and report trading by designated persons (“Code”) was first adopted by the Board of Directors of Elgi Equipments Limited (“the Company”) on October 30, 2015 and amended from time to time. The Code has been prepared by adopting the standards set out in Schedule B of the Regulations.

### DEFINITIONS

- 1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 1.2 “**Board**” means the Board of Directors of the Company.
- 1.3 “**Company**” means Elgi Equipments Limited.
- 1.4 “**Compliance Officer**” means the Company Secretary of the Company, 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information (“UPSI”), monitoring of trades and implementation of the Code under the overall supervision of the Board.
- 1.5 “**Connected Person**” means-
  - (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with the officer/ employees 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/herself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI 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 Act or an employee or director thereof; or
- (d) an investment company, trustee company, asset management company or an employee or director thereof; or
- (e) an official of a stock exchange or of clearing house or corporation; or
- (f) a member of board of trustees of a mutual fund or a member of the Board of Directors of the asset management company of a mutual fund or is an employee thereof; or
- (g) a member of the Board 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 organisation recognised or authorised by SEBI; 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 percent of the holding or interest.

1.6 **“Dealing in securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent.

1.7 **“Designated Person”** shall include person identified by the Board of Directors in consultation with the Compliance Officer based on his/her role and function in the organisation and the access to UPSI and shall also include:

- (i) The promoters of the Company;
- (ii) Members of the Board of Directors of the Company;
- (iii) Key Managerial Personnel of the Company;
- (iv) Auditors of the Company;
- (v) All employees, support staff of the Accounts, Finance, Legal, Internal audit, and Secretarial Department of the Company at the Corporate Office; Information technology department as determined by the compliance officer to have or could have reasonable access to UPSI.
- (vi) Key Managerial Personnel of the material subsidiaries of the Company;
- (vii) Secretaries/Executive Assistants reporting to the Managing Director;
- (viii) All employees in M4 grade and above;
- (ix) Employees of other Departments/Divisions on a case-to-case basis, who could be reasonably expected to have access to UPSI(s) relating to the Company, to be



decided by the Chairman/Managing Director/ Compliance Officer/Chief Financial Officer/Global Regional heads, on a case-to-case basis; and

- (x) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to UPSI in the organisation by their Board of Directors;
- (xi) Such other persons as may be identified by the Compliance Officer.

1.8 **“Derivative”** includes-

- (i) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;
- (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.

1.9 **“Employee”** means every temporary or permanent employee of the Company (whether working in India or abroad), including the Directors and Key Managerial Personnel who are in the employment of the Company.

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

1.11 **“Immediate Relative”** means 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.

1.12 **“Insider”** means any person who is:

- (i) Designated person(s) and their immediate relatives;
- (ii) a Connected Person; or
- (iii) in possession of or having access to UPSI.

1.13 **“Inquiry Committee”** means a sub-committee constituted by the Audit Committee/ Board to inquire into the leakage of UPSI.

1.14 **“Key Managerial Personnel”** means a person as defined in Section 2 (51) of the Companies Act, 2013, as amended from time to time.

1.15 **“Legitimate Purposes”** shall mean:

- a) In response to specific queries of shareholders, analysts and investors during quarterly calls on results, e-mails and annual analyst and investor meet;
- b) In connection with obtaining a rating from agencies like ICRA, CRISIL etc.;
- c) In response to specific queries of statutory auditors, statutory authorities, regulators and judicial and quasi-judicial bodies;



- d) To protect company's interests in a judicial or arbitral or mediation or conciliation proceeding;
- e) Disclosure required by law;
- f) Disclosure in connection with a proposal for tender for supply of goods and services;
- g) Disclosure to critical suppliers to consider supplying specific components to company;
- h) Disclosure to key business partners and collaborators in connection with the negotiation, finalisation and signing of a dealership/distributorship/ collaboration/ technology transfer agreement;
- i) Disclosure to certifying agencies like BvQi, ISO, etc.;
- j) Disclosure to service providers in connection with implementation of security systems for the company;
- k) Disclosure in connection with a takeover, merger, amalgamation or any other corporate action;
- l) Disclosure of the Company's bi-monthly performance to the employees in the Employee Communication Meetings;
- m) Disclosure as determined necessary by the Board of Directors in the overall interests of the company and/or its shareholders.

The Board of Directors have weighed, and shall in future weigh, the following factors before deciding whether disclosure of UPSI by company will constitute Legitimate Purpose or not.

- (i) Whether the disclosure is in company's interest?
- (ii) Whether the disclosure is in shareholders' interest?
- (iii) Whether the disclosure will violate any applicable laws?
- (iv) Whether the disclosure is being unfair to a section of shareholders?

1.16 **"Leak of UPSI"** means communication of information which is/are deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.

1.17 **"Non-Trading Period"** means:

- (i) the period, i.e., the number of Trading Days, before and after the date of a meeting of the Board of the Company where 'UPSI' is to be considered as provided under Clause 5 of the Code; or
- (ii) such other period(s) as may be decided and notified by the Compliance Officer.



1.18 “ **Original Information**” means any relevant information submitted in accordance with the regulations pertaining to any violation of insider trading laws that is:- (i) derived from the independent knowledge and analysis of the informant; (ii) not known to the Board from any other source, except where the Informant is the original source of the information; (iii) is sufficiently specific, credible and timely to - (1) commence an examination or inquiry or audit, (2) assist in an ongoing examination or investigation or inquiry or audit, (3) open or re-open an investigation or inquiry, or (4) inquire into a different conduct as part of an ongoing examination or investigation or inquiry or audit directed by the Board; (iv) not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information; and (v) not irrelevant or frivolous or vexatious. Explanation. – Information which does not in the opinion of the Board add to the information already possessed by the Board is not original information.

1.19 “**Promoter**” means a person defined as a Promoter under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

1.20 “**Promoter Group**” means a person defined as a Promoter Group under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

1.21 “**Reward**” means any gratuitous monetary amount for which an Informant is declared eligible as per the provisions of the Regulations.

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

1.23 “**Stock Exchanges**” shall include BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE) where the securities of the Company are currently listed.

1.24 “**Suspect**” means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.

1.25 “**Takeover Regulations**” means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

1.26 “**Trading**” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and “trade” shall be construed accordingly.



1.27 **“Trading Day”** means a day on which the recognized stock exchanges are open for Trading.

1.28 **“Trading Plan”** shall mean a plan for trades to be executed in the future by persons who have perpetual access to the UPSI.

1.29 **“Trading Window”** shall mean the window available for trading in the securities of the Company.

1.30 **“Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to the 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 include 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;

1.31 **“Voluntary Information Disclosure Form”** means voluntarily furnishing of Original Information in the prescribed form of the Board before receiving any request, inquiry, or demand from the Board, any other Central or State authorities or other statutory authority about a matter, to which the information is relevant.

*Words and expressions used and not defined in the Regulations but defined in the Act, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities Contracts (Regulations) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and Rules and Regulations made thereunder shall have the meanings respectively assigned to them in those legislations.*

#### **HANDLING OF INFORMATION OR UPSI:**

The Company Secretary, being the Compliance Officer shall report to the Board of Directors. The Company Secretary shall provide reports to the Chairman of the Audit Committee or to the Board once in every quarter as stipulated by the Board. The information relating to the Company shall be handled in the following manner:

- a) Not all information shall be made available to everyone in the organisation;



- b) All information shall be shared and handled within the organization only on a need to know basis and no UPSI shall be communicated to any person except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations, and if necessary the Company shall create e-mail groups to enable flow of information only to certain groups who have a need to know.
- c) All Employees shall sign the Employee Proprietary and Inventions Agreement at the time of joining employment
- d) Employees should ensure that the information they receive is kept confidential and not shared with anyone unconnected to it.
- e) Employee shall also ensure that they obtain proper authority before divulging the information to unconnected persons.

### **CHINEESE WALL PROCEDURES AND PROCESS**

- i) The Company operates within a secure registered domain within which the information systems resides.
- ii) All users are provided login and passwords to access the domain. The passwords are centrally controlled and enforces the users to change password periodically.
- iii) The Company has a secure firewall which prevents threats from the Internet. It also controls the flow of information to and from the outside world.
- iv) All systems are protected with Antivirus system to prevent any loss or leakage of information as a result of virus infection.
- v) To filter unsolicited emails that has the potential to carry malwares we have implemented Email gateways and spam filters.
- vi) Internet proxy servers are implemented for content filtering and preventing download of unsolicited data from internet which can carry threats.
- vii) Virtual Private Networks are implemented to implement travelling and overseas employees to securely access the organizations information systems.
- viii) Internal Firewall systems have been implemented for controlled access to information systems and to route information securely within the Company and its various branches.
- ix) Access to all critical systems are provided only based on request and approvals.
- x) Non-employees or third parties are required to sign an NDA before they are given access to information systems.
- xi) Information Assets are allocated only after the employee's signs an undertaking which stipulates the code of conduct for usage of such assets.



The precautions to be taken before disclosure of UPSI shall include but not limited to signing non-disclosure agreements with such persons before the UPSI is disclosed, warning them in advance that any disclosure, inadvertent or otherwise will invite legal action, blacklisting and initiating appropriate legal action against persons who have violated the non-disclosure agreements and/or who have traded in company's securities having been in possession of UPSI. Trades in company's securities while in possession of UPSI by such persons would be presumed to have been motivated by the knowledge and awareness of such information in their possession.

## **TRADING BY INSIDERS - COMMUNICATION/RESTRICTIONS/EXEMPTIONS**

### **1.1 Communication of UPSI:**

1.1.1 No Insider shall communicate, provide or allow access to UPSI, relating to the Company or its securities, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

1.1.2 No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or its Securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

1.1.3 The Insiders who are in possession of UPSI are required to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.

#### **1.1.4 Need-to-Know**

(a) "need to know" basis means that UPSI 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.

(b) All non-public information directly received by any employee should immediately be reported to the head of the department.





**1.1.5 Limited access to confidential information:**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

**1.1.6 No information shall be passed by designated persons by way of making a recommendation for the purchase or sale of securities of the Company.**

**1.1.7 Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:**

The following guidelines shall be followed while dealing with analysts and institutional investors:

- (i) Only public information to be provided.
- (ii) At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- (iii) Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- (iv) Simultaneous release of information after every such meet.

**1.2 Exemptions to communicate the UPSI:**

UPSI may be communicated, provided, allowed access to or procured, in the following cases:

**1.2.1 Open Offer as per the Takeover Regulations where the Board is of the informed opinion that sharing of such an offer is in the best interests of the Company. Not an Open Offer as per the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (“SEBI Takeover Regulations”) but where the Board is of the informed opinion that sharing of the information the proposed transaction is in the best interests of the Company.**

**1.2.2 If the information that constitutes UPSI is disseminated to be made generally available at least 2 (two) Trading Days prior to the proposed transaction being effected in such form as the Board may determine. However, the Board would cause public disclosures of such UPSI well before the proposed transaction to rule out any information asymmetry in the market.**



1.3 For the purpose of the aforementioned exemptions, the parties involved shall 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 UPSI.

#### **1.4 Digital Data Base:**

The Board 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 this regulation along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls such as time stamping and audit trails to ensure non-tampering of the database.

## **2. Compliance Officer**

2.1 The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Board and shall provide reports to the Chairman of the Audit Committee at such frequency as may be stipulated by the Board. The Compliance Officer shall report on insider trading to the Board and, in particular, will submit a report to the Chairman of Audit Committee, instances of violation of the Code or the Regulations by any person and on the disclosures, Trading Plans and pre- clearances approved and rejected on the basis of information furnished at a frequency as may be stipulated by the Board.

2.2 The Compliance Officer shall, prior to approving any trade, be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

#### **2.3 Trading Plan for prevention of misuse of UPSI:**

2.3.1 An insider who is perennially in possession of UPSI 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.



- 2.3.2 Trading shall be commenced only after 6 months from the public disclosure of the Trading Plan. Trading Plan shall 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. Trading Plan shall entail Trading for a period of not less than 12 months.
- 2.3.3 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of the Regulations.
- 2.3.4 The Compliance Officer shall have the right to seek express undertakings to enable assessment of the Trading Plan and approve the same.
- 2.3.5 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily implement without any deviation.
- 2.3.6 The Securities outside the scope of Trading Plan shall not be dealt with by the Insiders.
- 2.3.7 The implementation of the Trading Plan shall not be commenced if any UPSI 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. In such event, the Compliance Officer shall confirm that the commencement of trading under the Trading Plan ought to be deferred until such UPSI becomes generally available Information.
- 2.3.8 The Trading Plan shall not overlap any period for which another Trading Plan is already in execution. The Trading Plan shall state the Value of trade, Number of securities, Nature of trade and Intervals / dates on which such trades should be effected.
- 2.3.9 The Trading Plan shall not entail Trading in Securities for market abuse.

#### **2.4 Disclosure of Trading Plan:**

Upon approval of the Trading Plan, the Compliance Officer shall notify the Trading Plan to the Stock Exchanges.

#### **2.5 Pre-Clearance of Trade:**

- 2.5.1 All Designated Persons and their Immediate Relatives shall only when the Trading Window is open, trade (i.e. buy or sell securities and if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.2,00,000/- (Rupees Two Lakhs only), only subject to pre-clearance by the Compliance Officer, by sending the request for approval in **Form No.I** 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 UPSI.

- 2.5.2 The request can be sent by email to the Company Secretary or through the tool. No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the Trading Window is not closed.
- 2.5.3 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.
- 2.5.4 The Compliance Officer shall have the authority to ask for further information, if deemed necessary and it shall be obligatory for the Designated Person(s) and/or their Immediate Relatives to immediately furnish the information sought for by the Compliance Officer.
- 2.5.5 Prior to approving any trade, the Compliance Officer shall be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 2.5.6 The trades that have been pre-cleared shall be executed in not more than 7 (Seven) Trading Days from the date of approval by the Designated Person, failing which fresh pre-clearance would be needed for the trades to be executed.
- 2.5.7 Designated Persons or their Immediate Relatives who have obtained the pre-clearance are required to submit a report of the transactions done (including a NIL report, if no transaction is done) within 4 (four) days from the expiry of the specified time- period to Compliance Officer.
- 2.5.8 The application for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals shall be provided in **Form I** which is attached to this Code.



The Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Provided trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

2.5.9 An undertaking in **Annexure I.I** executed in favour of the Company, forming part of the Application Form as mentioned hereinabove, shall incorporate, inter alia, the following clauses:

- (i) That the Designated Person(s) and/or their Immediate Relative(s) does not have any access or has not received “UPSI” upto the time of signing the undertaking.
- (ii) That in case the Designated Person(s) and/or their Immediate Relative(s) has access to or receives “Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction, he/she shall inform the Compliance Officer of the fact and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (iii) That he/she has not contravened the Code of Conduct for prevention of Insider Trading as notified by the Company/SEBI from time to time.

2.5.10 That he/she has made a full and true disclosure in the matter.

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

## **2.6 CONTRA TRADE:**

2.6.1 All Designated Persons and/or their Immediate Relatives who buy or sell Securities of the Company shall not enter into an opposite transaction (contra trade) i.e. sell or buy Securities during the six months period post the previous buy/sell.

2.6.2 The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing, provided that such relaxation does not violate the Regulations.



2.6.3 If an opposite transaction (contra trade) is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

### **3. TRADING OF SECURITIES OF THE COMPANY**

#### **3.1 Trading while in possession of UPSI:**

3.1.1 No Insider shall trade in the Securities of the Company when in possession of UPSI, provided that the Insider may prove his/her innocence by demonstrating the circumstances including the following:

3.1.2 The transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of restrictions imposed on communication and Trading by Insiders and both parties had made a conscious and informed trade decision. Provided that such UPSI was not obtained under the SEBI Takeover Regulations where the Board is informed about sharing of such information is in the best interest of the Company.

3.1.3 Off-Markets trades shall be reported by the insiders to the Company within 2 (two) working days. The Company shall notify the particulars of such Trading (mentioned in Clause 4.1.2 & 4.1.3 above) to the Stock Exchanges within 2 (two) Trading Days of receipt of the disclosure or from becoming aware of such information.

3.1.4 In case of non- individual Insiders:

a) The individuals who were in possession of such UPSI were different from the individuals taking Trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and

b) Appropriate and adequate arrangements were in place to ensure that the Regulations/Code are not violated and no UPSI 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.



The trades were pursuant to a Trading Plan set up in accordance with the Regulations/Code.

3.1.5 In the case of Connected Persons, the onus of establishing that they were not in possession of UPSI, shall be on such Connected Persons and in other cases, the onus would be on SEBI.

3.1.6 SEBI may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of the Regulations.

#### **4. NON-TRADING PERIOD**

4.1 The Company shall specify a period, to be called "Non-Trading Period", for Trading in the Company's Securities. Any other period shall be Trading Period for the purpose of the Code. The Designated Persons and their Immediate Relatives shall not trade in Company's Securities during the Non-Trading Period. For unaudited/audited financial results, the Non-Trading period shall be from the end of every quarter (30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December and 31<sup>st</sup> March) till 48 hours after the declaration of financial results.

4.2 The Compliance Officer shall by way of e-mail, communicate the date of the Board Meeting to the Designated Persons. The onus will be on the Designated Persons to communicate the Non-Trading Period to their Immediate Relatives.

4.3 The following period are hereby notified as Pre-determined Non-Trading period for those who have provided Trading Plan:

4.4 Apart from the pre-determined Non-Trading Period as defined in Clause 5.3 above, if the Company takes up for consideration any UPSI or any other item that has material impact on the price of the securities of the Company, the same shall be intimated to the Designated Persons and Insiders (as applicable) that such event(s) shall be considered for the ascertainment of Non-trading period.

4.5 The trading window shall be opened 48 (forty eight) hours after the UPSI becomes generally available.



## 5. TRADING BY PORTFOLIO MANAGERS

This Code is also applicable to insiders who engage Portfolio Managers to trade in shares and hence the insiders are expected to take due precaution while trading in securities through Portfolio Managers by:

- (i) Informing Portfolio Managers about closure of trading window.
- (ii) Ensuring to seek pre-clearance, wherever applicable, when the Portfolio Manager proposes to trade in the Company's shares exceeding threshold limit and also make continual disclosures, wherever applicable, as provided in this Code.
- (iii) Ensuring that the portfolio manager abides by the requirement of minimum holding period and not do contra trade as provided in this Code.
- (iv) Prohibiting the Portfolio manager to trade in securities of Company at his own discretion or when the Insider is in possession of UPSI.

Despite the above, if any trading is done by portfolio managers, it will be treated as trading done by the Insider, and therefore the insider will be held responsible for any such non-compliance and subject to such penalties as specified in this Code.

### 5.1 Special Non-Trading Period for certain Employees:

Since special events which give rise to event based Non- Trading Period, it may require certain pre-work involving certain Employees concerned, such Employees may be subject to an additional Non- Trading Period, commencing when they are assigned the required pre-work responsibility. This would be notified to the Employees concerned and this additional Non-Trading Period would apply only to the Employees concerned and the management personnel involved in the decision. Such Employees/ management personnel are required not to disclose the fact of the special Non-Trading Period to others; so that Employees are generally not made aware that some special event is under consideration.

- 5.2 The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 (forty eight) hours after the information becomes Generally Available.





- 5.3 All Connected Persons of the Company shall conduct all their Dealings in Securities only during the Trading Period and shall not deal in any transaction involving the purchase or sale of Securities during the Non–Trading Period, as referred above or during any other period as may be specified by the Company from time to time.
- 5.4 In case of Employee Stock Option/Stock Purchase/Stock Appreciation Rights Plans (ESOPs), the exercise of an option may be allowed during the Non-Trading Period. However, sale of Securities allotted on the exercise of ESOPs shall not be allowed during Non-Trading Period.

## **6. DISCLOSURES OF TRADING BY INSIDERS**

### **6.1 General provisions:**

Every public disclosure under this Clause shall be made in the Form as may applicable, which is attached as **Annexure II** to this Code.

- 6.1.1 The disclosures to be made by any person shall include those relating to Trading by such person, Immediate Relatives, and by any other person for whom such person takes Trading decisions.
- 6.1.2 The disclosures of Trading in Securities shall also include Trading in Derivatives of Securities and the traded value of the Derivatives shall be taken into account for the purposes of arriving at the value of trade, subject to Trading of such Derivatives is permitted by any law for the time being in force.

### **6.2 Reporting requirements for transactions in Securities**

- 6.2.1 Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter or member of the Promoter Group shall disclose his/her holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 (seven) days of such appointment or becoming a Promoter in **Form-B** which is attached as **Annexure III** to this Code.



6.2.2 The Company, at its discretion shall require any other Connected Person or class of Connected Persons to make disclosures of holdings and Trading in Securities of the Company in **Form-D** (which is attached as **Annexure III** to this Code) at such frequency as may be determined by the Company in order to monitor compliance with the Regulations.

### **6.3 Continual Disclosure:**

Every Promoter, a member of a Promoter Group, Designated Person and Director of the Company shall disclose to the Company the number of such Securities acquired or disposed of within 2 (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/- in **Form-C** which is attached as **Annexure III** to this Code.

### **6.4 Disclosure by the Company:**

The Company shall notify the particulars of such Trading (mentioned in Clause 7.3 above) to the Stock Exchanges within 2 (two) Trading Days of receipt of the disclosure or from becoming aware of such information.

### **6.5 Disclosure by Designated Persons**

- (a) The Designated Persons shall disclose the following information, on one-time basis, to the Company within 15 (fifteen) days from the date on which this code shall become effective, either directly or on to a portal as directed by the Company;
  - (i) his/her Phone, mobile and cell numbers.
  - (ii) his/her Permanent Account Number or any other identifier authorised by law.
- (b) The Designated person shall disclose the following information, on annual basis, either directly or on to a portal as directed by the Company, to the Company within 30 (thirty) days from the end of the financial year and on continual disclosure basis, as and when the information changes within fifteen days of such change;
  - (i) Name of Immediate Relatives;
  - (ii) Persons with whom such Designated Person(s) shares a material financial relationship;



- (iii) Permanent Account Number or any other identifier authorized by law of (i); and
- (iv) Phone, mobile and cell numbers of (i) & (ii).

**Explanations:** “Material Financial Relationship” shall mean a relationship as 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.”

### **SAFEGUARDING THE INTEREST OF THE EMPLOYEES**

Notwithstanding any contrary terms in this Code of Conduct, the Company will not tolerate harassment or victimization and will take action to protect Employees who has/have filed a Voluntary Information Disclosure Form with the Board, irrespective of whether the information is considered or rejected by the Board or he/she is eligible for a Reward under the Regulations, by reason of: (i) filing a Voluntary Information Disclosure Form under these regulations; (ii) testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner. The Company assures every Employee, protection against discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against such Employee/s or any other disciplinary action or unlawful retaliation in any manner for having filed the Voluntary Information Disclosure Form.

The Company will refrain from:

- a) Impeding Employees from communicating with the Board by way of any threat or enforcement of confidential agreement.
- b) Requiring the Employee/s to notify or take approval or consent or guidance regarding the filing of Voluntary Information Disclosure Form under the Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019.
- c) Precluding any person other than an advocate from submitting information to the board relating to the violation of securities laws

Rights/Privileges of an Employee include:

- a) Approaching the competent court or tribunal for appropriate relief if he/she believes to have been subject to retaliation or victimization by the Company.
- b) The rights and privileges of or remedies available under any other law in force remaining unaffected.



## PENALTY FOR CONTRAVENTION OF THE CODE

Any Designated Person who trades in securities or communicates any information for Trading in Securities, in contravention of the Code may be penalised and appropriate action may be taken by the Company. Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include monetary fine, wage freeze, suspension, ineligibility for future participation in ESOP, etc. at the sole discretion of the Company. In terms of the Code, the Company will take appropriate disciplinary action against the defaulters for not complying with the Code. Please note that the following action shall be taken for any non-compliance with the Code, in addition to the actions that may be taken by SEBI or other authorities.

1.	Not obtaining pre-clearance for trading in the Securities: First instance: Warning Second instance: A fine of upto 10% of the gross value of the transaction Third instance: A fine of upto 25% of the gross value of the transaction Fourth instance: Action as may be decided by the Audit Committee/Board of Directors
2.	Delay in reporting / declaring transactions (buy/sell) in the Securities within the stipulated time (including a 'NIL' report): First instance: Warning Second instance: A fine of Rs. 1,000/- per day of default till the date of reporting Third instance: A fine of Rs. 2,000/- per day of default till the date of reporting Fourth instance: Action as may be decided by the Audit Committee/Board of Directors.
3.	Trading during non-trading period and contra-trades: First instance: A fine of 10% of the gross value of transaction Second instance: A fine of 25% of the gross value of transaction Third instance: Action as may be decided by the Audit Committee/Board of Directors
4	Leak of UPSI: (i) The disciplinary action against Suspect may be taken within 7 working days from receipt of investigation report by the Audit Committee in consultation with the Board of Directors or any other person authorised by the Board. (ii) The disciplinary action may include wage freeze, suspension, recovery, ineligibility for future participation in the Company's any benefit plans or termination, which will be in addition to the penal provisions stated under the Regulations and any other statutory enactments, as applicable as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Audit Committee. (iii) SEBI or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the Suspect.
5	Any other non-compliance with the Code: Appropriate action as may be decided by the Audit Committee/Board of Directors.



The fine stated hereinabove is payable to the Company/SEBI and the modalities for paying the fine would be separately communicated by the Compliance Officer to the concerned person.

In case of any doubt or dispute with regard to the interpretation or applicability or otherwise of the provisions of the Code or related provisions, the decision of the Board of Directors shall be final. In case the Board of Directors is required to review any transaction or impose penalties on one of its own members, the concerned member would excuse himself from the Board on that matter and not participate.

#### **INFORMATION TO SEBI IN CASE OF VIOLATION AND CONSEQUENCES OF DEFAULT UNDER SEBI REGULATIONS**

In case it is observed by the Company/Compliance Officer that there has been a violation of the Code/Regulations, SEBI shall be informed by the Company.

#### **AMENDMENTS**

The Board reserves its right to amend or modify the Code in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the concerned unless the same is notified in writing. In case of any amendments(s), clarification(s), circulars(s) etc, issued by the relevant authorities, not being consistent with the provisions laid down under this code, then such amendment(s), clarification(s), circulars(s) etc. shall prevail upon the provisions hereunder and this code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s) etc.

For any assistance or clarifications, kindly contact the Compliance Officer of the Company at [investor@elgi.com](mailto:investor@elgi.com) or at the address - Secretarial Department, Elgi Equipments Limited, Elgi Industrial Complex, Trichy Road, Singanallur, Coimbatore - 641 005.



**ANNEXURE I**

**FORM - I  
APPLICATION FOR PRE-CLEARANCE**

**Date:**

To

The Compliance Officer  
Elgi Equipments Limited  
Trichy Road, Singanallur  
Coimbatore - 641005

Dear Sir/Madam,

**Application for Pre-dealing approval in securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders of Elgi Equipments Limited ("Code"), I seek approval to purchase / sale / subscription of \_\_\_\_\_ 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 (b) Subscription to securities (c) Sale of securities	
6.	Proposed date of dealing in securities	
7.	Estimated number of securities proposed to be acquired/subscribed/sold	
8.	Price at which the transaction is proposed	
9.	Current market price (as on date of application)	
10.	Whether the proposed transaction will be through stock exchange or off-market deal	
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

**(Signature)**



## ANNEXURE I.I

### UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

To,

The Compliance Officer  
Elgi Equipments Limited  
Trichy Road, Singanallur  
Coimbatore - 641005

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_ shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I and my immediate relative(s) are not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("Code")), up to the time of signing this Undertaking.

In the event that I and my immediate relative(s) have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company/ SEBI from time to time.

In the event of this transaction being in violation of the Code or the applicable Laws and Regulations,

- a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons,
- b) I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction and
- c) I authorise the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

If approval is granted, I shall execute the deal within 7 (seven) days of the receipt of approval failing which I shall seek pre-clearance.

I undertake to submit the necessary report within 4 (four) days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

I declare that I have made full and true disclosure in the matter.

**Signature :**

**Name :**

**Date :**



**ANNEXURE II**

**DISCLOSURE OF TRANSACTIONS**

**(To be submitted within 2 days of transaction / trading in securities of the Company)**

To,

The Compliance Officer  
Elgi Equipments Limited  
Trichy Road, Singanallur  
Coimbatore - 641005

I hereby inform that I,

- (a) have not bought / sold/ subscribed the securities of the Company
- (b) have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_(date) (strike out whichever is not applicable)

Name of holder	No. of securities traded	Bought / sold / subscribed	DP ID/Client ID/Folio No.	Price (Rs.)

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

**Signature:**

**Name:**

**Date:**





ANNEXURE III

FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (a) read with Regulation 6 (2)]

Name of the company: Elgi Equipments Limited

ISIN of the company: INE285A01027

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person Promoters/ KMP / Directors/immediate relatives/others, etc.)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Signature:**

**Designation:**

**Date:**

**Place:**



ANNEXURE IV

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2) - Disclosure on becoming a Key Managerial Personnel/Director/Promoter/Member of the promoter group]]

Name of the company: Elgi Equipments Limited

ISIN of the company: INE285A01027

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director / OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.



Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of KMP or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

**Note:** In case of Options, notional value shall be calculated based on premium plus strike price of options

**Name & Signature:**

**Designation:**

**Date:**

**Place:**



**ANNEXURE V**

**FORM C**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]**

Name of the company: Elgi Equipments Limited

ISIN of the company: INE285A01027

**Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoter/member of the promoter group/designated person/ Director s/immediate relative to/others etc.)	Securities held prior to acquisition/ disposal		Securities Acquired /Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ disposal of shares, specify		Date of intimation to company	Mode of acquisition /disposal (on market/ public/ rights/ preferential offer/ off market/ Inter-se transfer, ESOPs, etc.)	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of share holding	Type of security (For e.g. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No.	Value	Transaction Type (Purchase/sale Pledge / Revocation / Invocation/ Others-please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of shareholding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

**Note:** (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
(ii) Value of transaction excludes taxes/brokerage/any other charges



Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

**Name & Signature:**

**Designation:**

**Date:**

**Place:**



ANNEXURE VI

Form D

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
Regulation 7(3) – Transactions by Other connected persons as identified by the company

Details of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/acquisition of shares/disposal of shares specify		Date of intimation to company	Mode of acquisition/disposal (on market/public/ rights/ Preferential offer / off market/ Inter-se transfer, ESOPs etc. )	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of shareholding	Type of securities (For eg. – Shares, Warrants, Convertible debentures, Rights entitlement, etc.)	No.	Value	Transaction Type (Purchase /Sale / Pledge / Revocation / Invocation / Others - please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of shareholding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

**Note:** (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
(ii) Value of transaction excludes taxes/brokerage/any other charges



Details of trading in derivatives on the securities of the company by other connected persons as identified by the Company

Trading in derivatives (Specify type of contract, Futures or Options, etc.)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

**Note:** In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:

Signature:

Place: