

# BIRLA CORPORATION LIMITED

## INTERNAL CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS & CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES OF UNPUBLISHED PRICE SENSITIVE INFORMATION

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# BIRLA CORPORATION LIMITED

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

As revised and approved by the Board of Directors on 1st April, 2019

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### CHAPTER – I

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#### INTRODUCTION

With a view to govern the conduct of Insiders and Designated Persons on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) has formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, including any amendments thereto (hereinafter referred to as the 'Regulations').

Sub-regulation (1) of Regulation 9 inter alia, requires all listed companies to frame a Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons and their immediate relatives by adopting the minimum standards as set out in Schedule B to the Regulations.

Sub-regulation (1) of Regulation 8 requires all listed companies to formulate and publish on its website, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information by adopting the minimum standards as set out in Schedule A to the Regulations.

BIRLA CORPORATION LIMITED has formulated this Code of Conduct called Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information ("Code").

#### 1. DEFINITIONS

**(i) "Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992)(including any amendment or re-enactment thereof);

**(ii) "Company" or "the Company"** means **BIRLA CORPORATION LIMITED;**

**(iii) "Compliance Officer"** means the Company Secretary of the Company or in his absence, any senior officer as authorized by the Chairman of the Company and who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in the

Regulations under the overall supervision of the board of directors;

**(iv) "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 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 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 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;

**(v) "Designated Person(s)" shall include :**

(a) all promoters of the Company and all persons falling within the definition of "Promoter Group";

(b) all members of Board of Directors and Key Managerial Personnel of the Company and its subsidiaries;

(c) Chief Executive Officer and every employee in the grade of Assistant Vice President and above of the Company and its subsidiaries;

- (d) every employee in the finance, accounts, information technology, direct tax and secretarial department of the Company and its subsidiaries, as may be determined and informed by the Compliance Officer;
- (e) Assistants/ Secretaries to the Executive Directors, Executive Presidents and Presidents of the Company and its subsidiaries; and
- (f) any other employee as may be determined and informed by the Compliance Officer from time to time

**(vi) "Generally available information"** means information that is accessible to the public on a non-discriminatory basis;

**(vii) "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;

**(viii) "Insider"** means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

**(ix) "Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

**(x) "Promoter group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

**(xi) "Regulations"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 and any amendments thereto;

**(xii) "Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

**(xiii) "Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;

**(xiv) "Trading day"** means a day on which the recognized stock exchanges are open for trading;

**(xv) "Trading window"** shall have the meaning ascribed thereto in clause 7 of the Code

**(xvi) "Unpublished Price Sensitive Information" or "UPSI"** 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 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, delistings, disposals and expansion of business and such other transactions; and

(v) changes in the Board of Directors or key managerial personnel.

Words and expressions used and not defined in this Code but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

## **2. APPLICABILITY**

This Code shall apply to all Designated Persons, immediate relatives of the Designated Persons, subsidiaries of the Company and to the extent mentioned, to Insiders and Connected Persons.

## **3. THE POLICY AND OBLIGATIONS**

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information ("UPSI") and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Designated Persons and Insiders have a duty to safeguard the confidentiality of all such UPSI obtained in the course of his work at the Company. No Designated Persons and Insiders shall use his position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

**CHAPTER – II**  
**CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION**

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**4. Compliance Officer**

The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors on an annual basis. In the absence of the designated/appointed Compliance Officer, the Chairman shall be authorised to appoint a person to act as the Compliance Officer in the period of his absence.

**4.1 Duties of Compliance Officer:**

1. He shall assist all the Designated Persons, and Insiders in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulation, 2015 and the Company's Code of Conduct.
2. If the Company /Compliance Officer observes that there has been a violation of the Regulations, SEBI must be informed by the Compliance Officer.

The Board of Directors of the Company/ Chairman/ Managing Director may assign such other duties to Compliance Officer under this code as may be deemed fit and proper from time to time.

**5. Preservation of "Unpublished Price Sensitive Information"**

Unpublished Price Sensitive Information is to be handled within the Company on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information for legitimate purposes, performance of duties or discharge of legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

**6. Prohibition on Dealing, Communicating or procuring Unpublished Price Sensitive Information:**

6.1 No insider (which term for the purpose of this Clause shall include a Designated Person and his Immediate Relative) shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to a Company or securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

6.2 No person shall procure from or cause the communication by any insider of Unpublished Price Sensitive Information, relating to securities of the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

6.3 Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–

- 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;
- 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.

6.4 However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of Unpublished Price Sensitive Information.

6.5 The Company shall adopt a “Chinese Wall” approach (i.e. barrier within an organisation to prevent exchanges or communication of UPSI that would lead to conflicts of interest) separating a group of employees who reasonably are expected to have in their possession Unpublished Price Sensitive Information. Such employees shall not communicate any Unpublished Price Sensitive Information to any other employee. In exceptional circumstances, any such employee may “cross the wall” and give confidential information on the basis of need to know basis by intimating the same to the person heading his Department prior to crossing the wall.

6.6 The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

6.7 Trading by Insiders when in possession of Unpublished Price Sensitive Information shall be governed by Regulation 4 of the “**Regulations**”.

**CHAPTER – III**  
**TRADING RESTRICTIONS**

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**7. TRADING PLAN**

7.1 An Insider (which term for the purpose of this Clause shall include a Designated Person and his Immediate Relative) shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

7.2 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;

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

7.3 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of the Regulations and shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

7.4 Pre-clearance of trade shall not be required for a trade executed as per an approved Trading Plan.

7.5 Trading Window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.

7.6 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such Unpublished Price Sensitive Information becomes generally available information.

7.7 Upon approval of the trading plan, the compliance officer shall notify the plan to the Stock Exchanges on which the securities are listed.



## 8. Trading Window:

- (a) The period prior to declaration of Unpublished Price Sensitive Information is particularly sensitive for transaction in the Company's securities. This sensitivity is due to the fact that the Designated Persons will, during that period, often possess Unpublished Price Sensitive Information.

The Designated Persons and their immediate relatives shall not trade in the Company's securities when the Trading Window is closed. The period during which the trading window is closed shall be termed as Prohibited Period. The intimation of closure shall be made through email and/ or through the website of the Company. The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information.

- (b) Unless otherwise specified by the Compliance Officer, the Trading Window for Dealing in Securities of the Company shall be closed for the following purposes-
- a. financial results;
  - b. dividends;
  - c. change in capital structure;
  - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
  - e. changes in the board of directors or key managerial personnel.
- (c) In respect of declaration of financial results, the Trading Window shall be closed at least 7 days prior to the date of Board Meeting wherein the quarterly or annual standalone / consolidated financial results, as the case may be, are declared.

The closure of Trading Window for purposes other than declaration of financial results and for which a specific notice/intimation is required to be given to stock exchange shall commence from the date on which intimation of the date of Board meeting for consideration of any such Price Sensitive Information is given to Stock Exchange.

However, if the circumstances so warrant, the time for closing the Trading Window may be increased or decreased by the Compliance Officer with the approval of Chairman /Managing Director.

- (d) The timing for re-opening of the Trading Window for the information referred in (b) shall be determined by the compliance officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
- (e) All Designated Persons and their immediate relatives shall conduct all their dealings in the securities of the Company only during the valid Trading Window and shall not

deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.

## 9. Pre-clearance of trades:

- 9.1 All Designated Persons and their immediate relatives who intend to deal in the securities of the Company in excess of Rs.10 lacs whether in one or a series of transactions over any calendar quarter shall require prior clearance from the Compliance Officer.

No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person or his immediate relative is in possession of Unpublished Price Sensitive Information even if the Trading Window is not closed.

- 9.2 The Clearance shall be obtained as per the procedure prescribed below:

9.2.1 An application is to be made to the Compliance Officer as per the enclosed format **(Form-I)** indicating the estimated number of securities that the Designated Persons intends to deal in, the details of securities held in physical form as to folio no., the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this regard.

9.2.2 Each Designated person shall execute in favour of the Company an undertaking in the enclosed pro-forma **(Form-I)** for getting the trades cleared.

The Compliance Officer shall on receiving an application provide the Designated Person with an acknowledgement on the duplicate of the application.

The Compliance Officer shall grant approval within 2 working days from the date of acknowledgement.

The Compliance Officer shall retain copies of all applications and acknowledgements. In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed deal is on the basis of possession of any Unpublished Price Sensitive Information. There shall be no obligation to give reasons for any withholding of consent.

If so requested by the Compliance Officer, Designated Persons must ensure that his stockbroker is authorised to disclose to the Company all matters relevant to his share dealings.

- 9.3 The Designated Persons and their immediate relatives shall execute their transactions within one week after the pre-clearance failing which they have to pre-clear the transactions again.
- 9.4 Pre-clearance of trades would not be required for a trade executed as per an approved trading plan.

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

- a. All Designated Persons and their immediate relatives who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Designated Persons and their immediate relatives shall also not take positions in derivative transactions in the shares of the Company at any time.
- b. 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.
- c. If a 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 the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act. Provided that this shall not be applicable for trades pursuant to exercise of stock options.

## CHAPTER – IV

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### REPORTING AND DISCLOSURE REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

#### 11. Reporting Requirements for transaction in securities

##### 11.1 INITIAL DISCLOSURES:

(i) Every Promoter, Member of the Promoter Group, Key Managerial Personnel and Director of Company shall disclose his holding of securities of the Company in Form-II as on the date of these regulations taking effect, to the Company within thirty days of SEBI (Prohibition of Insider Trading) Regulations 2015 taking effect;

(ii) Every person on appointment as a Key Managerial Personnel or a Director or any other employee categorized as Designated Person of the Company and its Subsidiaries shall disclose his holding of securities of the Company in **Form-III** 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.

##### 11.2 CONTINUAL DISCLOSURES FOR ANY CHANGE IN SHAREHOLDING:

Every Promoter, Member of the Promoter Group, Designated Persons and Director of the Company shall disclose to the Company in **Form-IV** 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.

##### 11.3 ANNUAL DISCLOSURE

All Designated Persons shall forward to the Compliance Officer annual statement of holdings and details of transactions in the securities including the statement of their immediate relatives in securities of the Company in **Form –V** within 15 days of close of the financial year.

The Designated persons shall also be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company in **Form-V** on an annual basis, within 15 days from the end of the Financial 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 which are used by them.

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

##### 11.4 OTHER DISCLOSURES TO THE COMPANY:

The Designated Persons shall be required to disclose the names of educational institutions from which designated persons have graduated and names of their past employers, on a one time basis in **Form-VI** within 15 days from the date on which this Code becomes effective.

#### 11.5 DISCLOSURES BY OTHER CONNECTED PERSONS:

The Company, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Company in **Form-VII** such frequency as may be determined by the Company in order to monitor compliance with these Regulations.

11.6 The Compliance Officer shall maintain records of all the declarations/ undertakings/ forms as mentioned in this Code, as received from time to time, for a period of five years.

11.7 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

#### 12. Disclosure by Company to Stock Exchange

Pursuant to Regulation 7(2)(b) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, within 2 working days of the receipt of the information under Clause 11.2 above, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

#### 13. Mechanism for prevention of Insider Trading

The Managing Director or the Wholetime Director the Chief Executive Officer of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent insider trading. The internal controls shall include the following:

- (a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- (b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- (c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
- (d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- (e) periodic process review to evaluate effectiveness of such internal controls.

The Managing Director or the Wholetime Director or the Chief Executive Officer of the Company shall submit an annual compliance certificate to the Audit Committee and the Board of Directors confirming compliance with Regulation 9 and Regulation 9A (1) and (2) of the Regulations.

The Audit Committee shall review compliance with the provisions of the Regulation at least once in a financial year and shall review effectiveness of internal controls and verify that the systems for internal control are adequate and are operating effectively.

#### 14. Inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) or Suspected leak of UPSI

An employee or an Insider or a designated person of the Company, upon becoming aware of an actual or suspected leak of UPSI of the Company, shall promptly inform the same to the Vigilance Officer as mentioned in the Vigil Mechanism/ Whistle Blower Policy of the Company.

An inquiry in case of leak of UPSI or suspected leak of UPSI, shall be reported and conducted in the manner as stated in the Vigil Mechanism/ Whistle Blower Policy of the Company, as approved by the Board of Directors of the Company from time to time, to the extent applicable. The said Vigil Mechanism/ Whistle Blower Policy shall be available on the Website of the Company.

#### **15. Process for how and when people are brought 'inside' on sensitive transaction(s)**

The Managing Director or the Wholetime Director or the Chief Executive Officer of the Company shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

- (i) in the ordinary course of business.
- (ii) in furtherance of performance of duty(ies);
- (iii) for discharge of legal obligation(s).
- (iv) for any other genuine or reasonable purpose as may be determined by the Managing Director or the Chief Executive Officer of the Company;
- (v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations.

#### **16. Dissemination of Price Sensitive Information**

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

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- 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.
- Simultaneous release of information after every such meet.

The Company is required to frame a Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information and the same is appended hereto.

**CHAPTER – V**  
**MISCELLANEOUS**

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**MISCELLANEOUS**

**17. Penalty for breach of Code of Conduct**

- (a) Every Designated Person/ Insiders shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- (b) Any Designated Person/ Insiders who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.
- (c) The Designated Persons/ Insiders who violate the Code of Conduct shall be subject to disciplinary action by the Company that may include wage freeze, suspension, recovery, clawback, fine, penalty etc. as may be imposed by the Managing Director or the Wholetime Director or the Chief Executive Officer of the Company.
- (d) The action by the Company shall not preclude SEBI or other Regulatory authorities from taking any action against those who are found guilty of Insider Trading.

**18. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015**

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI must be informed by the Company.

**19. Supplementary Provisions**

- 1. The implementation of the Code shall be monitored by the Compliance Officer of the Company. The Board may review the Code as and when deemed necessary and make any changes or modification as it may deem fit.
- 2. In case of any subsequent changes in the provisions of the Regulations which make any of the provisions in the Code inconsistent with the Regulations, then the provisions of the Regulations would prevail over the Code and the provisions in the Code would be modified in due course to make it consistent with the Regulations.

**THIS CODE IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF DIRECTOR/ PROMOTER/ DESIGNATED PERSON/ OFFICER/ CONNECTED PERSON TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.**

<b>Date of Original adoption by Board/ Revision by the Board</b>	<b>Effective date of the Code</b>
7th May, 2015	7th May, 2015
Revised on 10th February, 2018	10th February, 2018
Revised on 1st April, 2019	1st April, 2019



## **BIRLA CORPORATION LIMITED**

# **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*(Framed under Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015)*

As revised and approved by the Board of Directors on 1st April, 2019

### **Principle of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

The Company shall adhere to the following principles so as to ensure timely and adequate disclosure of Unpublished Price Sensitive Information (UPSI) with respect to it or its securities, which is likely to affect the price of the Company's securities and to maintain uniformity, transparency and fairness in dealing with any UPSI.

1. The Company shall make prompt public disclosure of UPSI that would impact price discovery, no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall make, uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.
4. The Company shall make prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide, appropriate and fair response to queries on news reports and request for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information if any shared with analysts and research personnel is not UPSI.
7. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all UPSI on a need-to know basis.
9. The Company shall ensure that UPSI is communicated, provided or is accessible to Insiders or procured by any person only in furtherance of legitimate purposes.

#### 9.1 Principles for determination of Legitimate Purposes

Legitimate purpose shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency



professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

The purposes involving sharing of UPSI which shall be deemed to be legitimate, shall include, but not restricted to the following:

- Sharing of relevant UPSI in conformity with the statutes applicable to the Company;
- Sharing of relevant UPSI in conformity to the business of the Company/ is in the ordinary course of business of the Company;
- If it is undertaken by any person to fulfil the obligation of his/ her role with respect to the Company;
- Sharing of relevant UPSI for facilitating conduct of due diligence for undertaking any transaction in the ordinary course of business;
- Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.

9.2 Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations.

The implementation of the Code shall be monitored by the Chief Investor Relations Officer of the Company. The Board may review the Code as and when deemed necessary and make any changes or modification as it may deem fit.

<b>Date of Original adoption by Board/ Revision by the Board</b>	<b>Effective date of the Code</b>
7th May, 2015	7th May, 2015
Revised on 1st April, 2019	1st April, 2019

**FORM I**  
**BIRLA CORPORATION LTD**

(Under BIRLA CORPORATION LTD Code of Conduct for Prevention of Insider Trading by Designated Persons and their immediate relatives)

**The Compliance Officer**  
BIRLA CORPORATION LTD  
9/1, R.N MUKHERJEE ROAD  
KOLKATA – 700 001

<b>Internal use</b>
Recd date and time:
Sign:

**SUB: APPLICATION FOR TRADING IN SHARES OF THE COMPANY AND UNDERTAKING**

Dear Sir,

I, \_\_\_\_\_, a Designated Person of Birla Corporation Limited, propose to trade in the Shares of the Birla Corporation Limited as per details hereunder:

Name of person proposing to trade in shares of the Company and relationship with Designated Person:	
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No. of Shares of the Company held by the person as on date of the application: \_\_\_\_\_

Sr. No.	Physical Form	Demat Form		No. of shares Presently held
	Folio No.	DPID	Client ID	

Particulars of proposed transaction in Shares of the Company:

Number of Shares held in the Company (A)	Number of Shares of the Company proposed to be Sold (B)	Number of Shares of the Company proposed to be acquired (C)	Balance holding (A) +(C)/ (A) -(B)
Name of Depository:			
DP ID No.:		Client ID No.:	
Number of Shares of the Company that would be held by the person after this application (if approval granted):			
Reason for sale of shares held for less than 6 months (If applicable)#			

**I hereby undertake and confirm that:**

- 1) I shall execute the trade of Shares within 7 days of your approval failing which we shall apply again to you for your approval. I shall submit a 'NIL' report if the transaction is not undertaken.
- 2) I shall hold Shares of the Company for a minimum period of 6 months from the date of acquisition (In case of application for purchase of shares).
- 3) Neither me nor my immediate relative have any access to or have received "Price Sensitive Information" up to the time of signing this undertaking.

- 4) In case I or my immediate relatives have access to or have received "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction I will inform the Compliance officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- 5) I have not contravened the prevailing Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.
- 6) I have not entered into any opposite transaction in the previous six months and I shall not execute a contra trade within six months from execution of the proposed transaction.
- 7) I have made a full and true disclosure in this matter.

I further confirm that the aforesaid facts are true and correct and shall be fully responsible for any wrongful acts done by me or my relatives including such penalties as may be imposed by the Company.

You are requested to provide the pre-clearance of trade for the above transaction.

Thanking you,

Yours sincerely,

Place:  
Date:

Signature:

Name :  
Designation :  
& Department

E-Mail ID for Communication of Approval:

**Note:** \*This application has to be necessarily submitted through electronic mail at the dedicated e-mail id [investorsgrievance@birlacorp.com](mailto:investorsgrievance@birlacorp.com) and followed by a hard copy.

# Sale of securities held for less than 6 months shall be considered only if necessitated by personal emergency.

#### **Approval/ Rejection of Pre-Clearance**

I \_\_\_\_\_, Compliance officer of the Company hereby \_\_\_\_\_ (Approve/Reject) the above application.

Reasons for rejection, if any:

Place:  
Date:

Signature:  
Compliance Officer:

**FORM-II**

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

ISIN of the company: \_\_\_\_\_

**Details of Securities held by Promoter or Member of promoter Group, 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 eg. - 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	
Self								
Immediate Relative								

**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:

**FORM-III**

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

**[Regulation 7 (1) (b) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or any other employee categorised as Designated Person of the Company and its Subsidiaries or upon becoming a Promoter or Member of the Promoter Group of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ Member of Promoter Group/KMP/ Director/ immediate relatives/employees (Designated Person)/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter/ Member of Promoter Group OR Date of becoming Designated Person	Securities held at the time of becoming Promoter/ Member of Promoter Group/ appointment of Director/KMP/ Designated Person		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/ Member of Promoter Group/ appointment of Director/ KMP/ Designated Person		Open Interest of the Option Contracts held at the time of becoming Promoter/ Member of Promoter Group/ appointment of Director/ KMP/ Designated Person	
			Type of security (For eg. – 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	5	6	7		
Self									
Immediate Relative									

**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:

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**FORM-IV**

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

**[Regulation 7 (2) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

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

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoters/ Member of Promoter Group/ KMP / Directors/ immediate relatives/ Designated Persons/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public rights/ preferential offer / off market/ Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

**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:

\*\*\*\*\*

**“FORM - V”**

From Name of the Designated Person:-  
Designation & Department :-

To The Compliance Officer  
Birla Corporation Limited,  
9/1, R. N. Mukherjee Road,  
Kolkata-1.

**FORMAT FOR CONTINUAL/ANNUAL DISCLOSURE BY DESIGNATED PERSON**

**I. SHAREHOLDINGS OF DIRECTORS /PROMOTER/ DESIGNATED PERSON OR PERSON WHO IS PART OF PROMOTER GROUP IN OWN NAME**

Name and PAN	Phone, mobile or cell number	Designation & Department	No. of Shares held on 1st April	No. of Shares Bought during the year ended 31st March	No. of Shares Sold during the year ended 31st March	No. of Shares held as on 31st March	Folio No./DP ID & Client ID

**II. DETAILS OF SHARES HELD BY IMMEDIATE RELATIVE(S)**

Name and PAN	Phone, mobile or cell number	Relationship	No. of Shares held on 1st April	No. of Shares Bought during the year ended 31st March	No. of Shares Sold during year ended 31st March	No. of Shares held as on 31st March	Folio No./DP ID & Client ID

**Note: Immediate Relative** means a spouse of a person and includes parent, sibling, and child of that person or of the spouse, if they are either dependent financially on such person, or consults such person in taking decisions relating to trading in securities

**III. DETAILS OF PERSON(S) WITH WHOM DESIGNATED PERSON SHARES A MATERIAL FINANCIAL RELATIONSHIP**

Name and PAN	Phone, mobile or cell number	No. of Shares Held on 1st April	No. of Shares Bought during the year ended 31st March	No. of Shares Sold during year ended 31st March	No. of Shares held as on 31st March	Folio No./DP ID & Client ID

**Note: “Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

I hereby declare and confirm that I shall not enter into any opposite transaction i.e. selling or buying any number of shares during the next six months following the prior transaction.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_  
Place:

**"Form VI"**  
**BIRLA CORPORATION LIMITED**

**FORMAT FOR ONE-TIME DISCLOSURE BY DESIGNATED PERSON**

*[In terms of Clause 14 of Schedule B to the SEBI (Prohibition of Insider Trading) Regulations, 2015]*

From Name of the Designated Person:-  
Designation & Department :-

To The Compliance Officer  
Birla Corporation Limited,  
9/1, R. N. Mukherjee Road,  
Kolkata-1.

I, \_\_\_\_\_, in my capacity as a Designated Person of Birla Corporation Limited hereby submit the following details as on \_\_\_\_\_ (date of becoming a Designated Person).

**Details of Designated Person:**

PAN	Phone, mobile or cell number	Names of Educational Institutions from which designated person have graduated	Names of Past Employers

**Details of Immediate Relative(s):**

Name of Immediate Relatives	Relationship	PAN	Phone, mobile or cell number

**Note:** Immediate Relative means a spouse of a person and includes parent, sibling, and child of that person or of the spouse, if they are either dependent financially on such person, or consults such person in taking decisions relating to trading in securities

**Details of Person(s) with whom Designated Person shares a material financial relationship:**

Name of the Person	PAN	Phone, mobile or cell number

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

Date:

Signature: \_\_\_\_\_  
Name:



**FORM-VII**

**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**

Name, PAN No., CIN/DIN & address of connected persons, as identified by the company with contact nos.	Connection with company)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public/rights/ preferential offer / off market/Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg.- Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Name:

Signature:

Date:

Place: