

**PUNE E STOCK BROKING LIMITED**

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT  
TRADING BY INSIDERS**

## **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS (PURSUANT TO SECURITIES EXCHANGE BOARD OF INDIA, (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015)**

### **1. PREAMBLE**

The Securities and Exchange Board of India (“SEBI”) has, in pursuance of the powers conferred on it under the Securities and Exchange Board of India Act, 1992, notified a new Regulation for prohibition of Insider Trading, viz., SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”), effective from 15<sup>th</sup> May, 2015.

The Company, being a listed company, is required to conform to the minimum standards prescribed by the Code for the purpose of regulating, monitoring and reporting Trading by insiders. Accordingly, the Board of Directors of the Company at its meeting held on 29<sup>th</sup> September, 2022 approved and adopted the Code.

### **2. OBJECTIVE OF THE CODE**

The Code of Conduct aims to ensure monitoring, timely reporting and adequate disclosure of price sensitive information by the directors, key managerial personnel, designated employees and connected persons of the Company.

### **3. APPLICABILITY OF THE CODE:**

This self-regulated Code is applicable to all the designated employees of the Company (PUNE E STOCK BROKING LIMITED i.e. “PESB”) to maintain highest standards while trading in the securities of the Company.

The Company endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information.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.

To achieve these objectives, ‘PUNE E STOCK BROKING LIMITED’ hereby notifies that this code of conduct is to be followed by all directors, officers, designated employees and connected persons.

### **4. DEFINITIONS**

1. “Act” means Securities and Exchange Board of India Act, 1992.
2. “Board” means Securities and Exchange Board of India.
3. “Board of Directors” means Board of Directors of PUNE E STOCK BROKING LIMITED
4. “Code” means Code of Conduct to Regulate, Monitor and Report and Report Trading by Insiders as modified from time to time.

5. 'Company' means PUNE E STOCK BROKING LIMITED ("PESB").
6. 'Compliance Officer' for the purpose of this regulation means the Company Secretary of the Company. In absence of the Company Secretary, the Board of Directors may authorized any officer of the Company to discharge the duties of Compliance Officer under the regulations;
7. "Connected person means –
  - i. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
    - a. an immediate relative of connected persons specified above; 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;
8. "Designated Person" means –
  - i. Board of Directors
  - ii. Key Managerial Personnel
  - iii. Designated Employees of the Company
  - iv. Connected person as defined above
9. "Designated Employee of the Company" means –
  - i. All General Managers and above
  - ii. All Heads of the departments
  - iii. Every employee in the finance, accounts, secretarial and legal department irrespective of any designation and grade.
  - iv. Any other executive which in opinion of Compliance Officer be covered under the designated employees.

10. "Director" means a member of the Board of Directors of the Company.
11. "Employee" means every employee of the Company who are in the employment of the Company including the Directors in the employment of the Company.
12. "Generally available information " means information that is accessible to the public on a non-discriminatory basis;
13. "Immediate relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
14. "Insider " means any person who is:
  - i. a connected person; or
  - ii. in possession of or having access to unpublished price sensitive information;
15. "Key Managerial Personnel " means–
  - i. Chairman & Managing Director
  - ii. All whole time Directors
  - iii. Company Secretary
  - iv. Such other officer as may be prescribed under Companies Act, 2013.
16. "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
17. "Regulations" shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015, and amendments thereto including any statutory modification(s) or re-enactment thereof for the time being in force.
18. "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.
19. "Trading " means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
20. "Trading day" means a day on which the recognized stock exchanges are open for trading;
21. "Trading Window" means a trading period in which Com "Trading Window" Company's securities can be traded.
22. "Unpublished Price Sensitive Information" – means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall ordinarily including but not restricted to, information relating to the following:
  - i. financial results
  - ii. dividends
  - iii. change in capital structure
  - iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions
  - v. changes in key managerial personnel
  - vi. material events in accordance with the listing agreement
  - vii. Any such other information which may affect the price of securities

All other words and phrases will have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and Rules & Regulations made there-under shall have the meanings respectively assigned to them in that legislation.

#### **Compliance Officer**

1. Compliance officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of DLVL.
2. The record of Designated Employees shall be maintained by Personnel Department under the overall supervision and control of the Compliance Officer and changes taking place in the list from time to time shall be incorporated therein.
3. The Compliance Officer shall provide any clarifications with regard to this Code.

#### **A. Communication or procurement of unpublished price sensitive information.**

- 1 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 2 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 3 Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would—
  - (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company;
  - (ii) 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 the proposed transaction 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.
- 4 For purposes of sub-regulation (3), 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 purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

#### **C. Preservation of the price sensitive information**

1. Insider shall maintain the confidentiality of all unpublished price sensitive information. He/she should not pass such information to any person including the other insider.
2. Need to Know  
Unpublished Price Sensitive Information shall be handled on a “Need to Know” basis, i.e. such information shall be shared with any person including the other insider except where such

information is required to be passed for legitimate purposes and for performance of duties or discharge of legal obligation.

3. Limited access to confidential information

Files containing unpublished price sensitive information or any such related confidential information shall be kept secure. Computer files must have adequate security of login and password etc. Files containing confidential information should be deleted / destroyed after its use.

4. Chinese Wall

The Company shall adopt a Chinese wall policy to prevent the misuse of confidential information, which separates those areas of the Company which routinely have access to confidential information.

**5. PREVENTION OF MISUSE OF "UNPUBLISHED PRICE SENSITIVE INFORMATION":**

Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the Company shall be governed by an internal code of conduct governing dealing in securities.

a. Trading Plan:

An insider shall 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.

b. Trading Plan shall:

- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;
- v. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in securities for market abuse.

c. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he 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.

d. 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.

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

Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

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

#### **6. TRADING WINDOW:**

- a. The Compliance Officer shall intimate the closure of trading window to all the directors/officer/designated employees of the Company when he/she determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
- b. The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.
- c. 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.

#### **7. PRE-CLEARANCE OF TRADE:**

All Specified Persons and their dependents, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is Rs. 10 Lakh and above should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed. The pre-dealing procedure shall be hereunder:

- I. An application may be made in the prescribed **Form 1** to the Compliance officer indicating the estimated number of securities that the Specified Employee intends to deal in, the details as to 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 behalf.
- II. An undertaking **Form 2** shall be executed in favour of the Company by such Specified Employee incorporating, *inter alia*, the following clauses, as may be applicable:
  - (a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
  - (b) That in case the Specified Employee 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 change in his position and

that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.

- (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - (d) That he/she has made a full and true disclosure in the matter.
- II. The Compliance Officer shall approve the pre-clearance of trade as per order specified in Form 3.
- III. All Specified Persons and their dependents shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given.
- IV. If the order is not executed within one week after the approval is given, the employee/director must pre-clear the transaction again.
- V. All Specified Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

- VI. The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same in Form 4. However, no such sale will be permitted when the Trading window is closed.

#### **8. OTHER RESTRICTIONS:**

- a. 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.
- b. 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 purposes of this Code.
- c. The disclosures made under this Code shall be maintained for a period of five years.

#### **9. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:**

##### **Initial Disclosure:**

- a. Every promoter/ Key Managerial Personnel / Director / Officers / Designated Employees of the Company, within thirty days of these regulations taking effect and at the end of every financial year, shall forward to the Company the details of all holdings in securities of the Company



presently held by them including the statement of holdings of dependent family members in the prescribed **Form A**.

- b. Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company in the prescribed **Form B**, as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

**Continual Disclosure:**

Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakhs) in the prescribed **Form C**.

The disclosure shall be made within 2 working days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

**10. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S):**

- a. Within 2 days of the receipt of intimation under continual disclosure, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received ) in the prescribed **Form D**.
- b. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

**11. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT:**

- a. Every Specified Person 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 Specified Person 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. Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- d. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF EACH EMPLOYEE TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.

**FOR PUNE E STOCK BROKING LIMITED**

**SD/-**

**(Vrajesh K Shah)  
Chairman & Managing Director**

**FORM 1**

**SPECIMEN OF APPLICATION FOR PRE-CLEARANCE APPROVAL**

**Date:**

**To,**

**The Compliance Officer,  
Pune E Stock Broking Limited,  
Pune.**

Dear Sir/Madam,

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

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval to purchase / sale / subscription of \_\_\_\_\_ (nos.) equity shares of the Company or a value exceeding Rs. 10,00,000/- 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 of Employee**

**FORM 2**  
**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE APPROVAL**

**UNDERTAKING**

**To,**  
**Pune E Stock Broking Limited,**  
**Pune.**

I, \_\_\_\_\_ (Name), \_\_\_\_\_ (Designation) 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 am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I 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 from time to time.

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

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

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

**Date :**

**Signature**

**\* Indicate number of shares**

**FORM 3**

**FORMAT FOR PRE- CLEARANCE ORDER**

To,

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

Designation: \_\_\_\_\_ Place: \_\_\_\_\_

This is to inform you that your request for dealing is \_\_\_(Nos)\_\_\_ shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on \_\_\_\_\_ or before \_\_\_(date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

No transaction/deal shall enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Yours faithfully,

**For , Pune E Stock Broking Limited**

**COMPLIANCE OFFICER**

Date: \_\_\_\_\_

**Encl:** Format for submission of details of transaction

**Format for submission of details of transaction**

**CONFIRMATION OF DEAL**

**To,  
The Compliance Officer,  
Pune E Stock Broking Limited,  
Pune.**

I confirm that the share dealing for which approval was granted on \_\_\_\_\_ was completed on \_\_\_\_\_ by purchasing /selling in \_\_\_\_\_ (nos.) equity shares of the Company.

Date: Signature:

**FORM 4**

**APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD**

**To,  
The Compliance Officer,  
Pune E Stock Broking Limited,  
Pune.**

From  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Employee No: \_\_\_\_\_

Dear Sir,

I request you to grant me waiver of the minimum holding period of 30 days as required under the code for prohibition of Insider trading with respect to \_\_\_\_\_ shares of the company held by me and which were acquired by me on (Date). I desire to deal in the said shares on account of \_\_\_\_\_ (please state reasons.)

Date: \_\_\_\_\_

APPROVAL GRANTED

APPROVAL REJECTED

**For Pune E Stock Broking Limited,**

**COMPLIANCE OFFICER**

**\*Reasons to be given if rejected:**

**Date:**



## **CODE OF FAIR DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING**

### **DISCLOSURE POLICY**

This Code has been framed in pursuance to the regulation contained in clause 8 (1) of Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the purpose of this code is to ensure timely and adequate disclosure of price sensitive information.

The following norms shall be followed by the Company.

1. The Company will make the prompt public disclosure of unpublished price sensitive information as per applicable rules and regulation that would impact price.
2. The Company shall without any deviation follow uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. Any unpublished price sensitive information be disseminated to stock exchanges and other authorities as prescribed by law in force.
4. If any unpublished price sensitive information gets disclosed selectively, inadvertently or otherwise then the same shall be promptly rectified and correct information shall be promptly disseminated.
5. The Managing Director and / or Chief Financial Officer of the Company and/or any other person authorized on their behalf are the only authorized person to provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Every concerned personnel of the Company shall ensure that the information shared with analysts and research personnel is not unpublished price sensitive information.

Every concern personnel of the Company shall ensure that all the unpublished price sensitive information shall be handled on strict principle of need to know basis