



# **CENTURY ENKA LIMITED**

## **INSIDER TRADING POLICY**

### **CODE OF CONDUCT FOR DEALING IN EQUITY SHARES AND OTHER LISTED SECURITIES**

## Document Control

### Document version

This Insider Trading Policy named as “Code of Conduct for dealing in Equity Shares and other Listed Securities” document is version 1.1.

### Revision history

<b>SR. No.</b>	<b>Date of preparation / modification</b>	<b>Version No.</b>	<b>Modified by</b>	<b>Reviewed and Approved by</b>
1	21/05/2019	1.0	Company Secretary	Board of Directors
2	18/05/2021	1.1	Company Secretary	Board of Directors

### Issuing Authority

This policy document is approved by the Board of the Company

### Author and Responsible Official

This policy document is to be maintained and updated by way of additions, deletions and modifications, only by the Legal and Secretarial Department subject to review of Chief Financial Officer and/or Managing Director and presented before the Board for their approval

Every time the policy document is edited, the version increases by one unit and the version is to be mentioned in the Document Control section.

### Applicability and Usage

This policy document applies to concerned person of **Century Enka Limited**.

## **INTRODUCTION**

Insider trading fuel speculation in the stock market about the price of the shares/securities and the average investor who does not have access to such insider information is placed at a disadvantage. This kind of misuse by the connected person, erodes investor confidence in the Company and the integrity of the management of the Company. Such practice is unethical, illegal and prohibited by virtue of the SEBI Regulations, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

## **Objective of the Code**

The objective of this code is to communicate to all employees of the Company “Code of Conduct for dealing in Equity Shares and other Listed Securities” that intend to serve as a guideline for employees who willing to trade securities of the Company and to strengthen the value foundation of the organization. Each employee is expected to understand, adhere to, comply with and uphold the provisions of this Code.

The objective of this code is to prohibit speculative dealings by the connected person and to ensure that the connected person dealing in the shares/securities at a time when any price sensitive information that could be known to him/her is also reasonably made known/is available to the public at large and that both are reasonably aware/ have access to such information.

## **Applicability**

This Code will apply to connected person.

## Definition

**"Compliance Officer"** - The Company Secretary of Century Enka Limited (CEL) (hereinafter referred "the Company") will be the Compliance Officer to monitor the compliance of this code and of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**"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, Key Managerial Personnel, 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) A person shall be "Deemed to be connected persons" if such person has access to Unpublished Price Sensitive Information (UPSI) or is reasonably expected to have access UPSI falling within the following categories unless the contrary is established -
  - (a) an Immediate relative of connected persons specified in sub-clause (i) above; or
  - (b) a holding company or associate company or subsidiary company; or
  - (c) an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, 1992 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 authorised by the 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 the Company or his immediate relative or banker of the Company, has more than ten per cent of the holding or interest;
- (k) designated persons.

**Designated Persons:** shall include

- a) Promoters
- b) Directors
- c) Key Managerial Personnel
- d) Functional Heads of all Department of the Company
- e) All employees of Finance, Accounts, Cost and Budget, Secretarial and Legal Departments
- f) Secretaries of Key Managerial Personnel and Functional Heads
- g) Immediate relatives of (a) to (d)
- h) any person, the Board of Directors or Stakeholders Relationship Committee of Directors in consultation with Compliance Officer, specify the persons to be covered by the Code of Conduct on the basis of their role and function in the Company provide access to Unpublished Price Sensitive Information (UPSI).

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

**"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;

**"Insider"** means any person who is:

- a) a connected person; or
- b) in possession of or having access to Unpublished Price Sensitive Information (UPSI);

**"Material Financial Relationship"** means 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.

**"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;

**"Promoter Group"** shall have the meaning assigned to it under SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 and any amendment thereof;

**Restricted Period:** It is also called as Black out Period and it means:

- from the end of every quarter till 48 hours after the declaration of financial results.
- Any other period that the Board of Directors may specify, from time to time at sole discretion

**"Securities"** include –

- (i) shares, bonds, debentures, debenture stock or other marketable securities of a like nature
- {ii} derivative; and
- (iii) rights or interest in securities.

**"Trading"** means an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any equity shares or listed securities (or derivative thereof) of CEL.

**"Trading day"** means a day on which the recognised stock exchanges are open for trading;

**"Unpublished price sensitive information" (UPSI)** means any information relating to CEL's equity shares or its listed securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the equity shares/listed securities, and shall ordinarily include but not restricted to information relating to the following:

- a) Financial results (quarterly or annual) of CEL
- b) Intended declaration of dividend (interim or final)
- c) Change in capital structure including Public / Rights Issue / Issue of Bonus/Shares/ Voting Rights (removed)
- d) Any major diversification, expansion or disposal plan
- e) Amalgamation, merger, demerger, acquisition
- f) Disposal of the whole or substantial part of the undertaking
- g) Changes in Board of Directors/ Key Managerial Personnel
- h) Any changes in policies, plans or operations of the Company that would have a material impact on the capital structure of the Company
- i) Intimation of Allotment of Shares
- j) Delisting of securities

## STRUCTURED DIGITAL DATA BASE

The Company Shall maintain a structured digital database containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.”

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

## DISCLOSURES

**Initial Disclosures** means -

- a) Every Promoter, Key Managerial Personnel and Director of the Company shall disclose his holding of equity shares of the Company, within 30 days from the date of SEBI (Prohibition of Insider Trading) Regulations, 2015 has come into effect.
- b) Every person on joining the employment of the Company or person on appointment as Key Managerial Personnel or appointment as a Director or upon becoming a promoter or a member of Promoter Group shall disclose his / her and the immediate relatives holding of equity shares / listed securities of CEL within 7 days of such joining /appointment/ becoming member.
- c) Every designated person shall disclose details like Permanent Account Number, names of educational institutions from which they have graduated and names of their past employers.



- d) Every designated person shall disclose names and Permanent Account Number or any other identifier authorised by law of the following persons to the Company on an annual basis within 30 days from the end of the financial year and as and when the information changes:
- (I) immediate relatives;
  - (II) persons with whom such designated person shares a material financial information;
  - (III) phone and mobile numbers which are used by them.

**Continual Disclosures** means -

- a) every promoter, member of promoter group, designated persons, employee and director of the Company shall disclose to the Company the number of equity shares / listed securities of CEL acquired or disposed of within two trading days of such transaction, if the value of securities traded, whether in one transaction or a series of transactions during the financial year, the aggregate trade exceed 5000 equity shares / listed securities or the value of equity shares/ listed securities exceeds the limit of rupees ten lacs.
- b) The Company shall notify the particulars of such trading to the Stock Exchanges on which securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation: It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under sub-clause (b) above, shall be made when the transactions effected after the prior disclosure cross the threshold limits specified in sub-clause (a) above.

**Disclosures by other Connected Persons**

The Company at its discretion, may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of CEL in such form and at such frequency as may be determined by CEL in order to monitor compliance with these regulations. of CEL acquired or disposed of within two trading days of such transaction, if the

value of securities traded, whether in one transaction or a series of transactions during the financial year, the aggregate trade exceed 5000 equity shares / listed securities or the value of equity shares/ listed securities exceeds the limit of rupees ten lacs;

### **SYSTEM DRIVEN DISCLOSURES**

The Company shall disclose the information of Designated Persons and their relatives including Pan Card and Demat Accounts details, if Pan number is not available, to the Concerned authorities as specified from SEBI from time to time.

### **COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

No connected person shall deal, communicate, provide, counsel or allow access to any UPSI referred in this policy, relating to CEL or its equity shares or listed securities 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.

### **TRADING**

#### **Trading Plan**

A connected person (Insider) shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan. Such trading plan shall -

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trades in restricted/ black out period;
- (iii) set out the number of equity shares or listed securities to be traded, the nature of trade and the interval at which such trades shall be effected;
- (iv) not entailing trade in securities for market abuse;

- (v) gap between two trading plans shall not be less than twelve months;
- (iv) not entail overlap of any period for which another trade plan is already in existence;
- (vi) 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;
- (vii) provided that implementation of the trading plan shall not commence if any UPSI is in possession of the insider at the time of formulation of the plan has not become generally available at the time of commencement of implementation and in such event the compliance officer shall confirm that commencement of trade ought to be deferred until such UPSI becomes generally available so as to avoid violation of possession of UPSI;
- (vii) the Compliance Officer shall review the plan to assess that the plan would not have any potential for violation of these regulations and seek such undertakings /details as may have deemed necessary to enable such assessment for approval and monitor the implementation of such plan;
- (vii) upon approval of trading plan, the Compliance Officer shall notify the plan to Stock Exchanges on which equity shares and other securities are listed.

### **Unplanned Trading**

means an employee or connected person who intend to deal in CEL's equity shares or other listed securities during the period other than the restricted / black out period and not in possession of UPSI and where such equity shares/ listed securities that have been held for more than six months, may deal in equity shares / listed securities without prior permission from the compliance officer provided the number of equity shares / listed securities does not exceed 5000 numbers and the value of such number of equity shares/ listed securities shall be subject to limit of rupees ten lacs in a financial year and a gap

between two trading days should be minimum for six months.

The employee / connected person shall disclose within two trading days any such trade undertaken to the compliance officer who shall monitor the compliance of this code.

### **Pre clearance of Unplanned Trading**

An employee's / Connected Persons who intend to deal in the Company's equity shares/ listed securities during the period other than the restricted/ blackout period and who does not hold any unpublished price sensitive information at the time of seeking pre clearance and where such equity shares / listed securities that have been held for minimum period of six months or have not entered into an opposite transaction during last six months shall obtain a prior permission from the Compliance Office by making an application in the prescribed form for dealing in equity shares / listed securities. However, no pre clearance would be required, if the number of equity shares / listed securities to be traded does not exceed 5000 numbers and value of such share/ securities shall be subject to limit of rupees ten lacs in a financial year.

In case of dealing by the Compliance Officer, prior permission from Managing Director and in case of Managing Director/ from a Director of the Company shall be obtained.

Transaction for which permission is taken would be carried out within 7 days after the approval, otherwise, fresh permission would be required.

The employee / connected person shall disclose within two trading days the trade undertaken (including off market trade) to the Compliance Officer. In case transaction is not undertaken, a report to that effect shall be filed with the Compliance Officer.

The Company shall notify the particulars of such trades to Stock Exchanges on which securities are listed within two trading days from receipt of the disclosure or from becoming aware of this information.

## **PROHIBITION ON FORWARD DEALINGS IN SECURITIES OF THE COMPANY**

No Connected Persons:

- (i) shall buy a right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of equity shares / securities of the Company or specified amount of Equity Shares / Securities.
- (ii) a right to elect to call for delivery or to make delivery at a specified price and within a specified time, of specified number of equity shares / securities of the Company or a specified amount of equity shares/ securities;

The contravention of this clause would make the concern person liable for action under the Companies Act, 2013 in addition to SEBI Regulations and under this Code.

## **QUARTERLY REPORTING**

The Compliance Officer shall make quarterly report to the Board of Directors on the compliance on this code.

## **GENERAL PROVISIONS**

- (i) disclosure shall be made in prescribed form;
- (ii) disclosures made by any person under this code / Insider Regulations shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions;
- (iii) 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 purpose of this code / Insider Regulations.

## **CONFIDENTIALITY**

Employee / connected person shall maintain the confidentiality of all price sensitive information relating to Company or securities listed or proposed to be listed and shall not

pass on such information directly or indirectly by way of making a recommendation for purchase or sale of securities or otherwise trade in securities of the Company.

UPSI is to be handled on a need-to-know basis. File containing confidential information(s) shall be kept secure. Computer files must have adequate security of log in and password.

## **DISCIPLINARY ACTION AND PENALTY**

This Code of Conduct is pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendment from time to time, any employees/connected person who contravene the code will be penalised and appropriate action will be taken against them by the Company after giving reasonable opportunity to them to explain their stand in the matter. They shall also be subject to disciplinary action including wage freeze, Recovery of Profit, suspension, ineligibility for participation in ESOP, etc. Any amount recovered shall be remitted to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

In addition to the action taken by the Company the person violating this Code will also be subject to action by SEBI as per SEBI Act and Regulations. In case of any violation, the Company is required to inform SEBI.

All correspondence with the Company in regard to this Code of Conduct should be sent to the sent to the Compliance Officer and marked "**CONFIDENTIAL**".

The Compliance officer shall maintain a database of the violation of code of conduct by designated persons and immediate relatives of designated persons that would entail initiation of appropriate action against them.

The Company shall communicate to the Stock Exchange violation relating of this Code in such form and manner as may be specified by the Board from time to time.