



# **Godrej Industries Limited**

## **Insider Trading - Code of Conduct**

**(Effective from November 11, 2020)**

This Policy is only an internal code of conduct and one of the measures to avoid Insider Trading. It will be the responsibility of each person covered under the SEBI Insider Trading Regulations to ensure compliance of the SEBI Act, Guidelines and other related statutes.

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## Chapter 1- Preliminary and Restrictions on Insider Trading

### 1.1 Background

The Securities and Exchange Board (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”) seek to govern the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Insider Trading involves trading in the securities of a company listed or proposed to be listed, by connected or any persons in possession of or with access to unpublished price sensitive information not available to the general public, who can take advantage of or benefit from such unpublished price sensitive information. Trading in securities by an ‘insider’ is regarded unfair when it is predicated upon utilisation of ‘inside’ information to profit at the expense of other investors who do not have access to the same information.

Godrej Industries Limited’s Insider Trading - Code of Conduct was first adopted with effect from November 30, 2002. This Code of Conduct incorporates the amendments so as to align it with the new regulations, i.e., the Securities and Exchange Board (Prohibition of Insider Trading) Regulations, 2015 (including any modification(s) / amendment(s) / re-enactment(s) thereof). (“**Regulations**”).

### 1.2 Objective of this Code of Conduct

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the Regulations in order to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the regulations.

In order to fully understand the scope of restrictions on insider trading, it is useful to understand the following terms/definitions.

### 1.3 Definitions

(a) “**Company**” means Godrej Industries Limited (“**GIL**”).

(b) “**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 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 Securities & 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 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.

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

**(d) “Designated Persons”** means:

- (i) Members of the Board of Directors of GIL;
- (ii) Group Management Committee (GMC) Members;
- (iii) Members of the GIL Leadership Team;
- (iv) Chief Financial Officer and Company Secretary of GIL;
- (v) All employees of the Finance (CFO) and Secretarial Department of GIL;
- (vi) CFOs of holding company, listed subsidiary company and listed associate company\*;
- (vii) Head of Internal Audit Department, Legal Department;
- (viii) Secretaries/Executive Assistants reporting to the Chairman and/or the Managing Director/any Executive Director/CFO;
- (ix) Auditors of the Company;

- (x) Employees of Material Subsidiaries of the Company designated on the basis of their functional role or access to Unpublished Price Sensitive Information (UPSI) in the organization by their board of directors;
- (xi) All Promoters and Members belonging to Promoter Group of the Company;
- (xii) Chief Executive Officer and Employees upto two levels below Chief Executive Officer of the Company and its Material Subsidiaries irrespective of their functional role in the Company or ability to have access to UPSI;
- (xiii) Any support staff of the Company, such as IT staff or secretarial staff who have access to UPSI;
- (xiv) Such other persons as may be identified by the Compliance Officer.

\*Associate Company means a company in which GIL has a significant influence, but which is not a Subsidiary Company of the GIL having such influence and includes a Joint Venture Company.

Explanation.—For the purpose of this clause;

(a) the expression "significant influence" means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement;

(b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

(f) **"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.

*Note: if spouse is financially independent and does not consult an insider while taking trading decisions, the spouse will not be exempted from the definition of immediate relative. A spouse is presumed to be an "immediate relative", unless rebutted so.*

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

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

(h) **"Promoter and 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 (including any modification(s) / amendment(s) / re-enactment(s) thereof).

- (i) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof, except units of a mutual fund.
- (j) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and "trade" shall be construed accordingly. Gifts, Off-market transactions, creation of pledge are also construed as a trade.
- (k) **“Trading day”** means a day on which the recognised stock exchanges are open for trading.
- (l) **“Unpublished price sensitive information” (“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 is not restricted to, information relating to: –
  - (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel;
  - (vi) Such other information, as the Managing Director / Whole Time Director / Compliance Officer/ Chief Financial Officer may prescribe from time to time.

#### **1.4 Compliance Officer**

GIL has appointed the Company Secretary, as the Compliance Officer for the purposes of the Regulations, who shall work subject to the guidance of the Chairman and the Board of Directors.

#### **1.5 Communication or procurement of UPSI**

- (1) No insider shall communicate, provide, or allow access to any UPSI relating to GIL or securities listed or proposed to be listed by GIL, 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 UPSI, relating to GIL or securities listed or proposed to be listed by GIL, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

- (3) Notwithstanding anything contained herein, UPSI 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 GIL 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 GIL is of informed opinion that sharing of such information is in the best interest of the Company and the information that constitutes UPSI is disseminated to be made generally available at least 2 (two) trading days prior to the proposed transaction being effected in such form as the GIL Board of Directors may determine to be adequate and fair to cover all relevant and material facts.
- (4) For purposes of point (3) above, the Board of Directors of GIL 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 the above point (3), and shall not otherwise trade in securities of GIL when in possession of UPSI.

## **1.6 Trading in GIL Securities**

### **(i) Restriction on trading in GIL Securities**

No Insider shall trade in GIL Securities at any time when he/she is in possession of any UPSI.

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

Such insider shall also maintain the confidentiality of all price sensitive information and shall not pass on such information to any person directly or indirectly by way of making recommendation for the purchase or sale of GIL Securities.

### **(ii) Joint holding**

The provisions of this code shall also be applicable for trading either as a first named shareholder or as a joint holder.

## **1.7 Chinese Wall**

To prevent the misuse of confidential information, GIL has laid down Chinese Walls procedures which separate those areas of GIL that routinely have access to confidential information, considered "inside areas" from those which deal with

sale/marketing/investment advice or other departments providing support services, considered "public areas".

- (i) The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to anyone in public area.
- (ii) The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.
- (iii) All the unpublished price sensitive information is to be handled on "need to know basis", i.e., Unpublished Price Sensitive Information should be disclosed only to those within GIL who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the head of the department. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

## **1.8 Pre-clearance of trades**

- (i) All Designated Persons who intend to trade in the securities of GIL (either in their own name or in any immediate relative's name) i.e. buy or sell securities and if value of the securities likely to be traded, whether in one transaction or a series of transactions in calendar quarter, aggregates to a traded value in excess of **Rs. 10,00,000 (Rupees Ten Lakh Only)**, shall make an application for pre-clearance in the format set out in **Annexure A** to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which he / she has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of unpublished price sensitive information.

Provided that the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However, for any subsequent sale of shares acquired under ESGS scheme, pre-clearance shall be applicable as per limits prescribed as above.

- (ii) No designated person shall 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.
- (iii) The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.



- (iv) All Designated Persons of GIL and their immediate relatives shall execute their order in respect of securities of GIL within 7 (seven) trading days after the approval of pre-clearance is given. If the order is not executed within 7 (seven) trading days after the approval is given, the employee must obtain the pre-clearance for the transaction again.

## 1.9 No Trading Period

- (i) The trading period during which GIL's securities can be traded is called trading window. The trading window shall be closed during the time the price sensitive information is un-published.
- (ii) When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in GIL's securities in such period.
- (iii) The trading window shall be, *inter-alia* closed at the time of:
  - (a) Declaration of Financial results
  - (b) Declaration of dividends (interim and final)
  - (c) Change in capital structure
  - (d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business
  - (e) Changes in key managerial personnel
  - (f) Such other time as the compliance officer determines that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.
- (iv) The Compliance Officer shall also close the trading window 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.
- (v) The trading window shall be opened 48 (Forty Eight) hours after the UPSI becomes generally available.

The trading window shall also be applicable to any person having contractual or fiduciary relation with GIL, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising GIL.

- (vi) The Compliance Officer after taking into account various factors including the UPSI 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 48 (Forty Eight) hours after the information becomes generally available.

- (vii) However, subject to the SEBI Act, Rules and Regulations, in case of ESGS, exercise of options shall be allowed during the period when the trading window is closed. However, sale of shares allotted on exercise of ESOP's shall not be allowed when the trading window is closed.
- (viii) The following transactions shall not attract trading window restrictions mentioned above, however, the Designated Persons shall have to obtain pre-clearance from the compliance officer, irrespective of the value of the proposed trade in compliance with SEBI regulations:
  - a) an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information,
  - b) a transaction carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information,
  - c) a transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction,
  - d) trades pursuant to a trading plan set up in accordance with the SEBI Regulations;
  - e) pledge of shares for a bona fide purpose such as raising funds
- (ix) The transactions undertaken in accordance with respective SEBI regulations such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer and delisting offer, or transactions undertaken through such other mechanism as may be specified by SEBI from time to time, shall not attract trading window restrictions.

#### **1.10 Holding Period/Contra Trade**

- (i) Designated person (including their immediate relatives) who is permitted to trade shall not execute a contra trade i.e. enter into an opposite transaction during the next 6 (Six) months following the prior transaction ("contra trade"). However, the restriction on contra trade shall not apply to:
  - (a) Exercise of the options under the Company's Employee Stock Grants Scheme (ESGS);
  - (b) Sale of shares acquired under the Company's ESGS scheme, provided that designated person is not in possession of UPSI at the time of sale.
- (ii) 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 these regulations.

## 1.11 Trading by Portfolio Managers

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

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

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

## **Chapter 2 - Disclosures & Reporting**

Apart from the restrictions mentioned in Chapter 1, GIL is required to obtain certain disclosures and levy penalties as and when deemed fit.

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

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 Chapter:

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

### 2.1 Initial Disclosure

- (i) All the Promoters, Member of Promoter Group, Key Managerial Personnel and Directors are required to send the details of their holdings in securities of GIL presently held by them including statement of holdings of immediate relative(s) in the prescribed **Annexure B** (as prescribed or amended by SEBI, from time to time) within 30 (thirty) days of this Code becoming effective.
- (ii) Every person on appointment as a Key Managerial Personnel or a Director of GIL or upon becoming a Promoter or Member of Promoter Group shall disclose his / her holding of securities of the Company within 7 (seven) days of such appointment or becoming a Promoter / Key Managerial Personnel / Director inform the Company in **Annexure C** (as prescribed or amended by SEBI, from time to time).

## **2.2 Continual Disclosure**

Every Promoter, Member of Promoter Group, Designated Person and Director of GIL shall disclose to the Company in the format set out in **Annexure D** (as prescribed or amended by SEBI, from time to time), the number of such securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakh Only) or such other value as may be specified.

## **2.3 Disclosure by other Connected Persons (not covered under Clause 2.2 above)**

The Compliance Officer at his / her discretion may require any other Connected Persons (not covered under Clause 2.2 above) or class of Connected Persons to make disclosures of holdings and trading in securities of GIL as and when he / she deems fit in order to monitor compliance with these regulations in the format set out in **Annexure E** (as prescribed or amended by SEBI, from time to time).

## **2.4 Other Annual Disclosures by Designated Persons:**

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons in terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, to the company on an annual basis and as and when the information changes:

- (i) immediate relatives;
- (ii) persons with whom such Designated person(s) shares a material financial relationship and
- (iii) Phone, mobile and cell numbers which are used by them

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

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

## **2.5 Dissemination of Price Sensitive Information**

- (i) No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- (ii) 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 2 (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.

## **2.6 Reporting to the Board and Maintenance of Disclosures**

- (i) The Compliance Officer shall place before the Chairman of the Audit Committee on a quarterly basis, details of trading in GIL Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged under this code.
- (ii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of 5 (five) years.
- (iii) The Secretarial Section shall acknowledge receipt of the declaration form received.

## **2.7 Amendment of this Code**

The Board of Directors (including Audit Committee / Management Committee of the Board of Directors) is authorised to change/amend this Code from time to time at its sole discretion and/or in pursuance of any amendments made in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **Chapter 3- SEBI Informant Mechanism**

This Chapter has been inserted pursuant to the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 notified dated September 17, 2019 effective from 100<sup>th</sup> date of the publication of the official gazette.

## **3.1 Informant Mechanism Scheme**

‘Informant’ means an employee, who voluntarily submits to SEBI a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under the Regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.

An Informant can voluntarily submit either on their own or through their legal representative to the Office of Informant Protection of SEBI a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has

occurred, is occurring or has a reasonable belief that it is about to occur, in the format and manner set out as Schedule D to SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 and any amendments thereto enforced from time to time.

SEBI may on receipt of the Voluntary Information Disclosure Form, and on due examination, investigation, inquiry, audit, and other proceedings, as may be required, and subject to due co-operation by the Informant during such period, may at its sole discretion, declare an Informant eligible for Reward and intimate the Informant or his/her legal representative to file an application in the format provided in Schedule E of to SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 and any amendments thereto enforced from time to time for claiming such Reward.

### **3.2 Protection against retaliation and victimisation**

An Informant who files a Voluntary Information Disclosure Form (irrespective of whether the information is considered or rejected by SEBI) will be protected against any adverse action and/ or discrimination as a result of such reporting to SEBI under this Scheme, provided it is justified and made in good faith. The Company is forbidden from taking any adverse action against the Informant for exercising h right as above.

Adverse action is defined as:

- Discharging from employment,
- Terminating services,
- demotion,
- suspension,
- threats,
- harassment,
- discriminating against employment

whether made directly or indirectly.

## **Chapter 4- Penalties**

### **4.1 Penalty for non-compliance**

Any insider who trades in securities in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall be guilty of insider trading and shall be *inter-alia* liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below.

## 4.2 Penalty for non-compliance with the Code of Conduct

Any employee/ officer / Director who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by GIL.

Categories of Non-Compliances	Penal/disciplinary actions proposed
<b>Procedural Non Compliances</b>	a) Written warning notice for first instance of non-compliance. b) For second repeated act- Rs. 10,000/- (Rupees Ten Thousand Only) minimum and up to Rs. 25,000/- (Rupees Twenty-Five Thousand Only) for third repeated non-compliance. c) Beyond third repeated act of non-compliance, it would be treated as substantive non-compliance resulting in such action the Board/ Audit Committee / Management Committee may deem fit, which may include suspension, freeze on increment /promotion, demotion, employment termination, recovery, etc. as deemed appropriate.
(i) Executing transaction after expiry of 7 (seven) days from date of pre-clearance.	
(ii) Non reporting of completion of transaction after pre-clearance.	
(iii) Non reporting of transactions aggregating to Rs. 10,00,000/- (Rupees Ten Lakh Only) per calendar quarter (such transaction should not be based on UPSI and should not be undertaken during trading window closure periods).	
<b>Substantive Non Compliances</b>	Any of the following or combination thereof depending on the severity of the case: a) If the gain or loss avoided is less than Rs.10,000/- (Rupees Ten Thousand Only), the penalty is Rs.10,000/- (Rupees Ten Thousand Only). b) Such action the Board of Directors / Audit Committee / Management Committee may deem fit which may include suspension, freeze on increment/promotion, demotion, employment termination, recovery, etc.
i) Trading in GIL Securities during trading window closure period	
ii) Dealing in GIL Securities without obtaining pre-clearance	
iii) Undertaking opposite transactions/ derivative transactions	
iv) Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information	

Notes:

- a) The action by GIL shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.
- b) In case it is observed by the Compliance Officer that there has been a violation of the Regulations, the stock exchange(s) and SEBI shall be informed by GIL as per applicable law.
- c) The Board of Directors / Audit Committee / Management Committee / Compliance Officer may decide the penalty within the above framework by

*taking into consideration the factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, number of securities transacted, whether the breach occurred as a result of deliberate intent or not, etc.*

- d) *the Penalties recovered as per framework will be remitted to SEBI for credit to Investor Protection & Education Fund administered by SEBI.*

#### **4.3 Penalties for non-compliance with the Securities & Exchange Board of India Act, 1992.**

Chapter VI A provides for various penalties, extracts of which are:

15A. *If any person, who is required under this Act or any rules or regulations made thereunder -*

- (a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;*
- (b) to file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return or furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;*
- (c) to maintain books of accounts or records, fails to maintain the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.*

15G. *If any insider who -*

- (i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or*
- (ii) communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or*
- (iii) counsels, or procures for any other person to deal in any securities of anybody corporate on the basis of unpublished price sensitive information, shall be liable to a penalty twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.*

24. (1) *Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.*

(2) *If any person fails to pay the penalty imposed by the Adjudicating Officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment*



for a term which shall not be less than one month, but which may extend to ten years or with fine, which may extend to twenty-five crore rupees or with both.

Without prejudice to the directions under regulation 11, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11 B, 11D, Chapter VIA and Section 24 of the Act.

**ANNEXURE A**

**A. Application - Cum Undertaking for Pre Clearance of Trades**

The Compliance Officer  
Godrej Industries Limited  
Pirojshanagar, Eastern Express Highway  
Vikhroli (E), Mumbai 400 079

Date:  
From:  
Designation

With reference to the Code of Conduct of GIL for Prevention of Insider Trading, I hereby give notice that I propose to carry out the following transaction in GIL securities for Myself / As Joint Holder / My immediate relative.

Transaction (Sale/Purchase)	Type of Security	Number of Security

I hereby declare that:

- (a) I do not have any access nor have I received or possess "Unpublished Price Sensitive Information" upto the time of signing the undertaking.
- (b) That in case I have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction. I shall inform the Compliance Officer of the change in my position and that I would completely refrain from trading in the securities of GIL till the time such information becomes public.
- (c) That I have not contravened the code of conduct for prevention of insider trading as notified by GIL from time to time.
- (d) That I have made a full and true disclosure in the matter.

Signature of the Employee/Director \_\_\_\_\_

**B. Authorization to Trade**

The above transaction has been authorised. Your trading must be completed within 7 trading days from \_\_\_\_\_.

Please confirm this by completing the section below and returning this Form to us within 7 days of completion of transaction.

Date: \_\_\_\_\_ Compliance Officer

**C. Confirmation of Trades**

The Compliance Officer  
Godrej Industries Limited

I confirm the trading in the aforesaid securities was completed on \_\_\_\_\_.

Date: \_\_\_\_\_  
Signature of the Employee/Director

## ANNEXURE B

### DISCLOSURE UNDER PARA 2.1 (i) OF THE INSIDER TRADING CODE OF CONDUCT [Refer Form A as per the Regulations]

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

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

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

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP /Directors/immediate relative to/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

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

#### Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

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		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

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

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

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

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

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

**FORM B**

**SEBI (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on  
becoming a Key Managerial Personnel/Director/Promoter/Member of  
the promoter group]**

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

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

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

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

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

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

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

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

Name &amp; Signature: \_\_\_\_\_

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

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

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

**FORM C**

**SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]**

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

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

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

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

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

(ii) Value of transaction excludes taxes/brokerage/any other charges

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

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

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

Name & Signature:

Designation:

Date:

Place:

**FORM D (Indicative format)**

**SEBI (Prohibition of Insider Trading) Regulations, 2015  
Regulation 7(3) – Transactions by Other connected persons as identified by the company**

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

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

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

**(ii)** Value of transaction excludes taxes/brokerage/any other charges

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

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

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

Name:

Signature:

Place:

\*\*\*\*\*