



**TATA ELXSI LIMITED**

**TATA  
CODE OF CONDUCT  
FOR  
PREVENTION OF INSIDER TRADING**

**&**

**CODE OF CORPORATE  
DISCLOSURE PRACTICES**

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## **INTRODUCTION:**

Insider trading means trading in the Securities of a company by its Directors, Employees or other Insiders while in possession of Unpublished Price Sensitive Information (“UPSI”). Such trading by Insiders erode the investors’ confidence in the integrity of the management and is unhealthy for the capital markets.

The Securities and Exchange Board of India (SEBI), in its endeavour to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992, which came into effect from November 19, 1992 and the same were made applicable to all companies whose shares were listed on Indian stock exchanges.

To strengthen these regulations and to create a framework for prevention of insider trading to facilitate legitimate business transactions, SEBI had made further amendments to the aforesaid Regulations from time to time. The Regulations not only regulate trading by insiders but also seek to prohibit insider trading. The text of the Regulations can be accessed at [https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-last-amended-on-march-12-2025-\\_92672.html](https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-last-amended-on-march-12-2025-_92672.html)

The relevant extracts of Regulations 3(1), 3(2), 3(2A), 3(2B) and 4(1) of the Regulations, which prohibit insider trading and communication of UPSI are quoted below:

*“3(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such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.”*

*“3(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of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(2A) The board of directors of a listed company shall make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8*

*Explanation—For the purpose of illustration, the term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.*

*“3(2B) Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.”*

*“4(1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information....”*

*“Explanation- When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession;”*

It is mandatory in terms of the Regulations for every listed company, intermediary, fiduciary and any other person who is required to handle UPSI in the course of business operations to formulate a Code of Conduct for Prevention of Insider Trading to regulate, monitor and report trading by its Directors, Employees who are Designated Persons and Immediate Relative of Designated Persons and other Connected Persons. In addition, every company whose Securities are listed on a stock exchange, is also required to formulate a Code of Practices and Procedures for fair disclosure of UPSI (hereinafter referred to as “**Code of Corporate Disclosure Practices**”).

The subjects of disclosure practices and insider trading have already been dealt with in the Tata Code of Conduct. Clauses 14 to 20 and Clause 22 respectively of the Tata Code of Conduct, currently in force, dealing with these subjects are reproduced below:

#### ***Integrity of information and assets***

*-14. Our employees shall not make any wilful omissions or material misrepresentation that would compromise the integrity of our records, internal or external communications and reports, including the financial statements.*

*-15. Our employees and directors shall seek proper authorisation prior to disclosing company or business-related information, and such disclosures shall be made in accordance with our company's media and communication policy. This includes disclosures through any forum or media, including through social media.*

*-16. Our employees shall ensure the integrity of personal data or information provided by them to our company. We shall safeguard the privacy of all such data or information given to us in accordance with applicable company policies or law.*

*-17. Our employees shall respect and protect all confidential information and intellectual property of our company.*

*-18. Our employees shall safeguard the confidentiality of all third party intellectual property and data. Our employees shall not misuse such intellectual property and data that comes into their possession and shall not share it with anyone, except in accordance with applicable company policies or law.*

*-19. Our employees shall promptly report the loss, theft or destruction of any confidential information or intellectual property and data of our company or that of any third party.*

*-20. Our employees shall use all company assets, tangible and intangible, including computer and communication equipment, for the purpose for which they are provided and in order to conduct our business. Such assets shall not be misused. We shall establish processes to minimise the risk of fraud, and misappropriation or misuse of our assets.*

#### ***Insider Trading***

*-22. Our employees must not indulge in any form of insider trading nor assist others, including immediate family, friends or business associates, to derive any benefit from access to and possession of price sensitive information that is not in the public domain. Such information would include information about our company, our group companies, our clients and our suppliers.*

In line with the Tata Code of Conduct and in order to comply with the mandatory requirement of the Regulations, it was necessary to formulate a specific Code of Conduct for Tata Companies for use by its Directors, Employees, Designated Persons and other Connected Persons.

This document embodies the Code of Conduct for Prevention of Insider Trading (“**Code**”) and the Code of Corporate Disclosure Practices to be adopted by listed Tata companies and followed by

their Directors, Employees, Designated Persons and other Connected Persons. The Code is based on the principle that Directors and Employees of a Tata Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal Securities transactions in a manner that does not create any conflict of interest situation.

The Code is also intended to serve as a guiding charter for all concerned persons associated with the functioning of listed companies and their trading in Securities of such companies. Further, the Code also seeks to ensure timely and adequate disclosure of UPSI to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's Securities. The provisions of this Code have to be read along with the Regulations and if there is any inconsistency / contradiction between the two, the provisions of the Regulations shall prevail.

The Compliance Officer is authorized to make such changes as may be deemed necessary/expedient to align this Code with the requirements of extant legislations, without obtaining further approval from the Board/Audit Committee of the Company.

### **DEFINITIONS:**

As used in this Code:

- a. **“Audit Committee”** means the audit committee of the Company.
- b. **“Board”** means Board of Directors of the Company.
- c. **“Code”** means this Code of Conduct for Prevention of Insider Trading and the as applicable, including modifications made thereto from time-to-time.
- d. **Code of Corporate Disclosure Practices** means the Code of Corporate Disclosure Practices as applicable, including modifications made thereto from time-to-time and as disclosed to the Stock Exchange(s)
- e. **“Company”** means
- f. **“Compliance Officer”** means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company;

Explanation: “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

- g. **“Connected Person”** shall have the meaning given to it under Regulation 2 (1) (d) (i) of the Regulations.
- h. **“Deemed Connected Person” shall have the meaning given to it under Regulation 2 (1) (d) (ii) of the Regulations**
- i. **“Designated Persons”** shall mean persons designated by the Board in consultation with the Compliance Officer, who are covered under the Code on the basis of their role and

function in the Company and the access that role and function provides to UPSI) in addition to seniority and professional designation and shall include : -

- (i) Employees of the Company, designated on the basis of their functional role or access to UPSI;
  - (ii) Employees of material subsidiaries of the Company designated on the basis of functional role or access to UPSI;
  - (iii) All promoters of the Company;
  - (iv) Chief Executive Officer and employees upto two work levels below the Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the Company or their ability to have access to UPSI;
  - (v) All Directors;
  - (vi) Any support staff of the Company, such as IT staff or secretarial staff who have access to UPSI.
- j. **“Director”** means a member of the Board of Directors of the Company.
- k. **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- l. **“Fiduciaries”** means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company.
- m. **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;
- n. **“Intermediary”** means an intermediary registered with SEBI.
- o. **“Immediate Relative”** means the spouse of the person, and includes parent, sibling and child of such person or of the spouse, any of whom is either financially dependent on the person or consults the person in taking decisions relating to trading in securities.
- p. **“Insider”** means any person who is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information.
- q. **“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.
- r. **“Promoter”** and **“Promoter Group”** shall have the respective meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- s. **“Proposed to be listed”** shall include securities of an unlisted company:
- (i) if such unlisted company has filed offer documents or other documents, as the case may be, with the SEBI, stock exchange(s) or registrar of companies in connection with the listing; or
  - (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;

- t. **‘Relative’** shall have the meaning given to it under Regulation 2 (1) (hc) of the Regulations.
- u. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- v. **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- w. **“Trading in Securities”** means and includes an act of subscribing to, redeeming, switching, buying, selling, dealing or agreeing to subscribe to, redeem, switch, buy, sell or deal in any Securities of the Company, creation, invocation, revocation of pledge, gifting of shares and “trade” shall be construed accordingly.
- x. **“Unpublished Price Sensitive Information (“UPSI”)” shall have the meaning given to it under Regulation 2 (1) (n) of the Regulations and would mean 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 Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:**
  - a. financial results;
  - b. dividends;
  - c. change in capital structure;
  - d. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions; and
  - e. changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
  - f. Change in ratings other than ESG ratings
  - g. Fund-raising proposed to be undertaken
  - h. Agreements, by whatever name called, which may impact the management or control of the company
  - i. Fraud/defaults by the company, its promoters, directors, Key Managerial Personnel (KMP) or subsidiary or arrest of KMP, promoter or director of the Company, whether occurred within India or abroad;
  - j. Resolution plan/restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions
  - k. Admission of winding up petition filed by any party / creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code
  - l. Initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation / siphoning or diversion of funds and receipt of final forensic audit report;
  - m. Action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company
  - n. Outcome of any litigation(s) or dispute(s) which may have an impact on the company

- o. Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party, by the company not in the normal course of business
- p. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

Explanation 1- For the purpose of sub-clause (i):

- A. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- B. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.

- y. such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer/Company Secretary from time to time.

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations.

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

Pursuant to the provision of Regulation 9, the Board of Directors of the Company has ensured that the Chief Executive Officer or Managing Director has formulated the Tata Code of Conduct for Prevention of Insider Trading, with the Board's approval, to regulate, monitor and report trading by its Designated Persons and their Immediate Relatives towards achieving compliance with the Regulations, adopting the minimum standards set out in Schedule B to the Regulations, without diluting the provisions of the Regulations in any manner.

### **COMPLIANCE OFFICER:**

The Board of the Company shall appoint the Chief Financial Officer / Company Secretary as the Compliance Officer to ensure compliance and for effective implementation of the Regulations and also this Code across the Company.

The Compliance Officer shall report to the Board of the Company and in particular, shall provide quarterly/half-yearly/annual reports to the Chairman of the Audit Committee or on need basis as directed by the Board and / or Audit Committee.

The Chief Financial Officer/Company Secretary shall hold the position of the Compliance Officer so long as he/she remains the Chief Financial Officer/Company Secretary. In the event of the office of the Chief Financial Officer/Company Secretary falling vacant till such time a successor is appointed, the persons(s) responsible for the Chief Financial Officer/Company Secretary function shall, in the interim period act as the Compliance Officer.

In order to discharge his/her functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his/her function. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents, relating but not limited to, the Securities of the Company.

The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

### **ROLE & DUTIES OF THE COMPLIANCE OFFICER:**

The Compliance Officer shall be responsible for:

- setting forth policies in relation to the implementation of the Code and the Regulations in consultation with the Board/Audit Committee, as the case may be.
- prescribing procedures for various activities referred to in the Code.
- compliance with the policies and procedures referred hereinabove.
- monitoring adherence to the provision for preservation of UPSI.
- identify the persons who shall be regarded as Designated Persons to be covered by the Code, including those mentioned under Regulation 9(4), on the basis of their role and function in the organization including access to UPSI by virtue of that role and function in addition to seniority and professional designation.
- grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
- implementation of this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.

The Board shall ensure and authorize the Compliance Officer to maintain a structured digital database containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN 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 shall be 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 SEBI/Stock Exchanges regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

The Compliance Officer shall assist in providing training to all the Designated Persons and in addressing any clarifications regarding the Regulations and this Code.

The Compliance Officer shall place status reports before the Chairman of the Audit Committee, detailing Trading in the Securities by the Designated Persons and their Immediate Relatives along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code on a quarterly/half yearly /annual basis.

## **HANDLING OF UPSI**

### **Preservation and Sharing of Unpublished Price Sensitive Information:**

Designated Persons shall maintain the confidentiality of all UPSI coming into their possession or control.

To comply with this confidentiality obligation, the Designated Persons shall not:

- (i) communicate, provide or allow access of UPSI to any person directly or indirectly, including by way of discussing the performance of the Company and / or by making a recommendation for the purchase or sale of Securities of the Company unless such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; or
- (ii) discuss UPSI in public areas, or
- (iii) disclose UPSI to any Employee who does not *need to know* the information except for the furtherance of legitimate purpose, performance of duties or for discharging of legal obligations, or
- (iv) recommend to anyone that they may undertake Trading in Securities of the Company while being in possession, control or knowledge of UPSI, or
- (v) be seen or perceived to be Trading in Securities of the Company while in possession of UPSI.

### **Need to know:**

The Designated Persons who are privy to UPSI, shall handle the same strictly on a “*Need to Know*” basis. This means the UPSI shall be disclosed only to those persons who need to know the same in furtherance of a legitimate purpose, the course of performance or discharge of their duty and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

### **Legitimate Purpose:**

The term “*legitimate purpose*” shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and the Company shall either execute a confidentiality agreement or share a Confidentiality Notice (see **Annexure 1B**) with such persons, to maintain confidentiality of such UPSI in compliance with the Regulations.

### **Limited access to confidential information:**

Designated Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:

- files containing confidential information shall be kept secure.
- computer files must have adequate security of login through a password.
- follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology function.

#### List of Employees-

The list of Designated Persons or any other persons with whom UPSI is shared along with the purpose for which such information was shared shall be maintained in the Structured Digital Database maintained under Prevention of Insider Trading Regulations.

### **CHINESE WALL**

To prevent the misuse of UPSI, the Company has adopted a “Chinese Wall” policy which separates those departments which routinely have access to UPSI, considered “inside areas” from those departments which deal with sales/marketing / investment /finance/ treasury / etc and or other departments providing services, considered “public areas”.

As per the said policy:

- The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- The Employees in the inside area may be physically separated from the Employees in public area.
- The demarcation of various departments as inside area shall be decided by the Board in consultation with Compliance Officer.
- Only in exceptional circumstances, Employees from the public areas are brought “over the wall” and given UPSI for the furtherance of legitimate purposes and on the basis of “need to know” criteria, after providing prior written intimation to the Compliance Officer.

### **TRADING WINDOW:**

Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for Trading in the Securities of the Company. The Trading Window is deemed to be closed for all Designated Persons / others who are in possession of UPSI and is deemed to open when the UPSI becomes public.

Unless otherwise specified by the Compliance Officer, the Trading Window for Trading in Securities of the Company shall be closed for the Designated Persons and their Immediate Relatives when the Compliance Officer determines that a Designated Person or class of Designated Persons are reasonably expected to have possession of UPSI, including but not limited to the following purposes-

- (a) declaration of financial results,
- (b) declaration of dividends,
- (c) change in capital structure,
- (d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business award or termination of order/contracts not in the normal course of business and such other transactions, and

- (e) changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- (f) Change in ratings other than ESG ratings
- (g) Fund-raising proposed to be undertaken
- (h) Agreements, by whatever name called, which may impact the management or control of the company
- (i) Fraud/defaults by the company, its promoters, directors, Key Managerial Personnel (KMP) or subsidiary or arrest of KMP, promoter or director of the Company, whether occurred within India or abroad;
- (j) Resolution plan/restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions
- (k) Admission of winding up petition filed by any party / creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code
- (l) Initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation / siphoning or diversion of funds and receipt of final forensic audit report;
- (m) Action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company
- (n) Outcome of any litigation(s) or dispute(s) which may have an impact on the company
- (o) Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party, by the company not in the normal course of business
- (p) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

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- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable

- (q) such other information as determined by the Board of Directors/Managing Director/ Chief Executive Officer/Chief Operating Officer/Chief Financial Officer/Company Secretary from time to time

*Provided that for entry of information, not emanating from within the organisation, the Trading Window may not be closed*

In respect of declaration of financial results, the Trading Window shall remain closed

from a date that is 7 days prior to the end of the respective quarter, half-year, or financial year, as the case may be, till 48 hours after the declaration of the financial results.

As regards declaration of dividend and other matters referred to in (c) to (e) above or any other matters as the Board or MD&CEO decide then, the MD & CEO shall, well before initiation of such activity/project, form a core team of Employees who would work on such assignment. The A Senior Employee shall be designated to be in-charge of the project. The Trading Window shall be deemed to be closed for such team members who shall also adhere to all the requirements of the Code regarding the activity /project Such core team may share information related to the activity/project with any Designated Person only for the furtherance of legitimate purposes and on a need to know basis for any advice or guidance required from such Connected Person, provided that such person are bound by confidentiality and are informed not to breach the Regulations Can consider deleting as omitted in current regulations Schedule B Point 7

The Trading Window shall be opened 48 (Forty-Eight) hours after the information referred to above becomes generally available. The gap between clearance of accounts by Audit Committee and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

All the Designated Persons shall strictly conduct all their Trading in the Securities of the Company, if any, only when the Trading Window is open and no Designated Person or their Immediate Relatives shall trade in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time-to-time.

The Trading Window restrictions as referred above shall not apply in respect of:

- a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to Regulation 4(1) of the Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the Regulations;
- b) transactions which are undertaken in accordance with 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, delisting offer or such other mechanism as may be specified by SEBI from time to time.

### **PRE-CLEARANCE OF DEALS IN SECURITIES:**

#### **Applicability:**

Every Designated Person shall obtain a *pre-trading* approval as per the procedure prescribed hereunder for any Trading in the Securities of the Company proposed to be undertaken by such Designated Person / his / her Immediate Relatives. Such *pre-trading* approval would be necessary, only if the cumulative trading (including trading in derivatives of Securities, if permitted by law) whether in one transaction or a series of transactions in any calendar quarter exceeds Rs. 10 lakhs (market value).

#### **Pre-trading Procedure:**

For the purpose of obtaining a *pre-trading* approval, the concerned Designated Person shall make an application physically / electronically in the prescribed form (see **Annexure 2**) to the Compliance Officer. (The Compliance Officer should submit his/her application for *pre-trading* approval to the M D & C E O.) Such application should be complete and correct in all respects and should be accompanied by such undertakings and declaration (see **Annexure 3**) indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-

to-time. Such application for *pre-trading* approval with enclosures may be sent through electronic mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to the address specifically dedicated for this purpose i.e. [●]

No Designated Person shall apply for *pre-trading* approval if such person is in possession of UPSI, even if the Trading Window is not otherwise closed as it is deemed to be closed for those in possession of UPSI.

**Approval:**

- (a) The Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same Trading Day but not later than the next Trading Day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection may be conveyed through electronic mail and if no such approval / intimation of rejection is received within a period of 2 (two) Trading Days, the applicant can presume that the approval is deemed to be given. While considering the application, the Compliance Officer shall have due regard to whether the declaration provided in **Annexure 3** is reasonably capable of being rendered inaccurate.
- (b) Every approval letter shall be issued in such format (**see Annexure 4**) as may be prescribed by the Company from time-to- time. Every approval shall be dated and shall be valid for a period of 7 (seven) Trading Days from the date of approval.
- (c) In the absence of the Compliance Officer due to leave etc., the Employee designated by him/her from time-to-time, not being below - one level below the CFO / Company Secretary and part of the Finance or Compliance Department shall discharge the function referred to in (a) above.

**Completion of Pre-cleared Trading:**

- (a) All the Designated Persons shall ensure that they / their Immediate Relatives complete execution of every pre-cleared deal in the Company's Securities as prescribed above no later than 7 (seven) Trading Days from the date of the approval. The Designated Person shall file within 2 (two) Trading Days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form (**see Annexure 5**). In case the transaction is not undertaken, a report to that effect shall be filed (**see Annexure 5**).
- (b) If a deal is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person shall make a fresh application, once again to the Compliance Officer for *pre clearance* of the transaction covered under the said approval.

**Trading Plans:**

The Regulations recognize the concept of Trading Plans. Any Designated Person intending to formulate a Trading Plan shall consult the Compliance Officer to discuss the applicable rules and procedure. The Compliance Officer shall only approve a Trading Plan in accordance with the applicable provisions of the Regulations.

### **Opposite transactions / Contra trade in the Securities:**

The Designated Persons shall not, within six months of buying or selling, invoking or revoking of Pledge, Gifting any number of Securities of the Company, enter into an opposite transaction or contra trade i.e. sell or buy, as the case may be, any number of the Securities of the Company.

The Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in writing in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale will be permitted when the Trading Window is closed. Notwithstanding the above, should the Designated Persons execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.

Provided that this restriction will not be applicable for trades conducted, pursuant to the exercise of stock options.

### **PROCESS FOR HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTIONS**

The Managing Director, Joint Managing Director, Whole-time Director, Chief Executive Officer or KMPs or CXOs of the company, may involve any other person, based on the requirement, in any proposed or ongoing sensitive transaction pursuant to a legitimate purpose, which shall include the following;

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

### **INTIMATION OF DUTIES AND RESPONSIBILITIES AND LIABILITY TO THE PERSON(S) WHO HAS/HAVE BEEN BROUGHT INSIDE ON SENSITIVE TRANSACTION(S)**

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an “insider” for purposes of this Code and

- i. due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations.
- ii. Shall not trade in the securities of the Company whilst in possession of UPSI
- iii. Must be made aware that the information shared is or would be confidential and instructed to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- iv. Must be made aware of the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.
- v. The provision of this Code of Conduct shall be applicable to such other persons during their involvement in sensitive transaction.

### **Advice regarding Pre-Clearance:**

In case of doubt, the Designated Person shall check with the Compliance Officer or the Officer designated by him/her from time-to-time whether the provisions relating to *pre- clearance* are applicable to any proposed transaction in the Company's Securities.

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

The requirement has been omitted w.e.f. April 26, 2021. Accordingly, the same needs to be modified/removed.

- (a) Every Person on appointment as a KMP or a Director of the Company or upon becoming a Promoter or Member of the Promoter Group of the Company or on being identified as a Designated Person, shall disclose their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) as on the date of appointment as a KMP or a Director or becoming a Promoter or Member of the Promoter Group or identification as a Designated Person, to the Company within 7 (seven) days of such appointment as a KMP or a Director or becoming a Promoter or Member of the Promoter Group or on being identified as a Designated Person, as the case may be, in prescribed format (see **Annexure 6**).

Every Promoter, Member of the Promoter Group, KMP, Director and Designated Person of the Company shall disclose annual statements of their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer as on 31<sup>st</sup> March every year in such form and manner (see **Annexure 7**) as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted every year. To be discussed practically

- (b) Every Promoter, Member of the Promoter Group, Director and Designated Person of the Company shall disclose in prescribed format (see **Annexure 8**) to the Compliance Officer the number of such Securities (including derivatives) of the Company acquired or disposed by them or their Immediate Relatives and by any other person for whom such person takes trading decisions, 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 lakhs or such other value as may be specified. The Company shall notify the particulars of such trading to the stock exchange on which its Securities are listed within 2 (two) Trading Days of receipt of disclosure or from becoming aware of such information. Pursuant to SEBI Circular SEBI/HO/ISD/ISD/CIR/P/2021/617 dated August 13, 2021, SEBI has automated Continual Disclosures under Regulation 7(2) TO BE DISCUSSED

The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof. The Company may, at its discretion, prescribe additional obligations for any other Connected Persons or a class of Connected Persons to make disclosures of holdings and trading in Securities (including the form and frequency).

The Company may use any software / application for managing the PIT related compliance, then various declarations / formats / application for trade pre-clearance / trade approval etc can be made by the Insiders / Compliance Officer by using the software / application and in such case the wordings of such declarations / formats / application for pre-clearance / trade approval etc may differ from that as is mentioned in this Code of Conduct.

### **INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING:**

The CEO or M D of the Company or in his absence, any other such person appointed by the Board

in this regard shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent insider trading.

The internal controls include the following:

- a) all employees who have access to UPSI shall be identified as Designated Persons;
- b) all UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the Code and Regulations;
- c) adequate restrictions shall be placed on communication or procurement of UPSI as required by the Code;
- d) lists of all employees and other persons with whom UPSI is shared shall be maintained in the digital database and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under the Code shall be complied with;
- f) periodic process review, on an annual basis shall be conducted by the Internal Audit Team of the Company / PCS / Such other professional to evaluate the effectiveness of internal controls in place.

The Board shall ensure that the C EO or the MD ensures compliance with Regulation 9(1) and 9(2) and Regulation 9A(1) and(2).

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

The Policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI (see **Annexure 10**), has been formulated by the Company and duly approved by Board. Accordingly, the Ethics Counsellor and/Chairman of Audit Committee of the Company shall initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and promptly inform SEBI.

The Company shall have a whistle-blower policy which shall be available on the website of the Company. The Company shall also take steps to create awareness amongst its employees to enable them to report instances of leak of any UPSI.

If an inquiry is initiated by the Company in case of reported leakage of UPSI or suspected leak of UPSI, the Intermediaries and Fiduciaries engaged by the Company shall be duty bound to co-operate with the Company in connection with such inquiry conducted by the Company.

## **PROTECTION AGAINST RETALIATION AND VICTIMIZATION:**

The Regulations provide for voluntary submission by an individual including an employee of the Company (as defined in Explanation 1 to Regulation 7I of the Regulations) directly to SEBI, in the manner prescribed under the said Amendment Regulations of an alleged violation of insider trading laws that has occurred, is occurring or about to occur.

No unfair treatment such as discharge, termination, demotion, suspension, threats, harassment or discrimination will be meted out to an employee directly or indirectly by virtue of such employee making a voluntary submission as above, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Regulations, by reason of:

- a) filing a Voluntary Information Disclosure Form with SEBI;
- b) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or

- c) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

#### **PENALTY FOR CONTRAVENTION:**

Every Director, Promoter, member of Promoter Group and Designated Person shall be individually responsible for complying with the applicable provisions of this Code (including to the extent the provisions hereof are applicable to their Immediate Relatives).

The persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action, which in respect of an Employee of the Company may include wage freeze, suspension, recovery, etc. that may be imposed for contravention of the Code .

Action taken by the Company for violation of the Regulations and the Code against any person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.

Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty which shall not be less than Rs. 10 lakhs but which may extend to Rs.25 crores or three times the amount of profits made out of insider trading, whichever is higher.

Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine, which may extend to twenty- five crore rupees or with both. Further, in case 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. An extract of Sections 15G and 24 is given in Appendix B.

In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any person, he/she shall forthwith inform the Audit Committee of the Company about the violation. The penal action will be initiated as per the Penalty Matrix adopted by the Company & reported to the Audit Committee at its next meeting. In other cases, the penal action may be initiated on obtaining suitable directions from the Audit Committee in consultation with Board. The Compliance Officer, on behalf of the Company, shall promptly inform Stock Exchange(s) where the concerned securities of the Company are traded about such violation in such form or manner as may be specified by SEBI/Stock Exchanges from time to time. Any amount collected under this clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

The person, against whom information has been furnished by the Company/Compliance Officer to Stock Exchanges/SEBI for violations of the Regulations/Code, shall provide all information and render necessary co-operation as may be required by the Company/Compliance Officer or Stock Exchanges/ SEBI in this connection.

The Compliance Officer shall also maintain a database of the violation of the Code by Designated Persons and immediate relatives of Designated Persons that would entail initiation of appropriate action against them. Repetition

The Compliance Officer shall always abide by the provisions of the Regulations and the Code.

Where there is a violation by the Compliance Officer, the Chief Executive Officer or the Managing Director of the Company shall perform the functions of the Compliance Officer.

**CLARIFICATIONS:**

For all queries concerning this Code, please contact the Compliance Officer on [pit@tataelxsi.co.in](mailto:pit@tataelxsi.co.in).

## **IMPORTANT FORMS**

### **ANNEXURE 1A**

## **Tata Elxsi Limited**

### **FORMAT FOR DIGITAL DATABASE**

**[To be filled in by Designated Person &  
To be maintained by the Compliance Officer]**

<b>Sr. No.</b>	<b>Name of the person with whom UPSI is shares</b>	<b>PAN/ Other Identification No.</b>	<b>#Designation #Emp. No., Dept., Div., Location &amp; Phone/ Mobile No.</b>	<b>Names of Immediate Relatives &amp; Persons with material financial relationship, their PAN &amp; mobile no. as disclosed by DP</b>	<b>Names of educational institutions attended &amp; Past Employer(s) of DP</b>	<b>DP. BEN ID. or Folio No.</b>	<b>Date of identification</b>	<b>Date of cessation</b>

**# to be filled in only in case of Employees**

## ANNEXURE 1B

### FORMAT OF CONFIDENTIALITY AGREEMENT / NOTICE

**THIS CONFIDENTIALITY AGREEMENT (“Agreement”)** is executed at Mumbai on this [•] day of [•] 2019 (“Effective Date”)

#### **BY AND BETWEEN:**

[•] a company incorporated in India, having corporate identity number [•] and its registered office at \_\_\_\_\_ (hereinafter referred to as the “**Disclosing Party**”, which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns);

#### **AND**

[•], an individual, aged [•], having permanent account number [•] and residing at [•] (hereinafter referred to as the “**Recipient**”) (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include his or her legal heirs and authorised representatives.)

The Disclosing Party and the Recipient shall individually be referred to as a “**Party**” and collectively be referred to as the “**Parties**”.

#### **RECITALS**

- A. The Disclosing Party is a limited company whose securities are listed and is the company in the Tata group.
- B. The Recipient is [•]. [Note to Draft: Please indicate the relationship of the Recipient with the Disclosing Party. For instance, if the Recipient is an independent director of the Disclosing Party, please indicate so.]
- C. In connection with [•] [Note to Draft: Please indicate the legitimate purpose for which the UPSI is being provided.] (“Purpose”), the Disclosing Party may be required to disclose Confidential Information (as defined below) to the Recipient, which in accordance with the Disclosing Party’s policy in this regard is a legitimate purpose.
- D. Pursuant to the Purpose, the Parties are entering into this Agreement in order to record the terms and conditions on the basis of which the Disclosing Party will provide the Confidential Information to the Recipient for ensuring the confidentiality thereof.

**NOW THEREFORE, IN CONSIDERATION OF THE BELOW MENTIONED CONDITIONS AND COVENANTS, THE ADEQUACY OF WHICH THE PARTIES ACKNOWLEDGE, IT IS AGREED AS FOLLOWS:**

1. Confidential Information. “**Confidential Information**” shall mean all confidential and proprietary, technical, financial, business information, and processes or methodologies of the Disclosing Party or of [•] *[Note to Draft: If information is being shared in respect of a party other than the Disclosing Party, please specify the name of such entity.]*, disclosed by the Disclosing Party to the Recipient on or after the date of this Agreement in connection with the Purpose in whether verbal, written, graphics, visual, or electronic which is or may be either applicable to or related in any way to the business of the Disclosing Party or [•], including such information that may relate to projects (existing and under development), assets, technical data, data flow, knowledge of any relevant matters, business plans and methodology, validations, trade secrets, processes, methods, business systems, formulae, plans, research and development, prototypes, inventions, designs, drawings, sketches, records (of any type or media), test results, information, process, technique, algorithm, computer program (source and object code), pricing, customer lists, employee data, supplier lists, distributor lists, costs, materials, patents (issued or pending), copyrights, trade-marks, trade names, industrial designs, licenses, contracts, contract opportunity, software, hardware, business and marketing plans, financing plans, profit margins and other financial information, manuals, corporate objectives or activities, mergers, acquisitions, sale, private placements, its present or future products or business, sales, subscribers, suppliers, clients, customers, employees, investors or business or any material or non- material fact not publicly released, whether marked as confidential or not.
2. Disclosure of Proprietary Information. The Recipient shall hold in strict confidence and shall not disclose any Confidential Information to any person whatsoever. The Recipient shall use such Confidential Information only for the evaluation and/or consummation of the Purpose and shall not use or exploit such Confidential Information solely for its own benefit or the benefit of another without the prior written consent of the Disclosing Party.
3. Obligations of the Recipient.
  - (a) The Recipient and the spouse, parents, siblings and children of such of the Recipient or of the spouse, who are either financially dependent on the Recipient or consult the Recipient in taking decisions relating to trading in securities its (“**Immediate Relatives**”) shall take all measures to protect the confidentiality and avoid the unauthorized use, disclosure, publication, or dissemination of Confidential Information. Provided, however, that such measures shall be no less stringent than measures taken to protect his or her own confidential and proprietary information but in no event less than reasonable degree of care.
  - (b) At any time upon the Disclosing Party’s written request, the Recipient shall promptly destroy all documents (or copies thereof) containing Confidential Information provided to it or created by it during the term of this Agreement without retaining any copies thereof. The Recipient shall, upon request by the Disclosing Party, promptly provide written confirmation that such destruction

has occurred in accordance with this provision.

- (c) The Recipient agree not to (without obtaining the Disclosing Party's prior written consent) disclose the Disclosing Party's (or where applicable Disclosing Party's representatives, affiliates or associates or group companies') interest, participation or involvement in the evaluation of, discussions or negotiations undertaken in connection with the Purpose in any manner whatsoever, including but not limited to disclosing the name of the Disclosing Party to the press wherever and of whatever nationality in any statements made in connection with the Disclosing Party. ***[Note to Draft: Depending on the Purpose, specific limitations may be inserted herein.]*** The execution of this Agreement and the evaluation of the Purpose shall also be deemed to be "Confidential Information".
- (d) The Recipient agrees not to disclose any Confidential Information to its Immediate Relatives unless such relative has also executed a similar agreement with the Company.

4. Limitation on Obligations. The obligations of the Recipient specified in Section 2 and 3 above shall not apply, and the Recipient shall have no further obligations, with respect to any Confidential Information to the extent that such Confidential Information:

- (a) is already in the public domain at the time of the Disclosing Party's communication thereof to the Recipient; or
- (b) has entered the public domain through no fault of or breach by the Recipient, of any contractual obligation, subsequent to the time of the Disclosing Party's communication thereof to the Recipient; or
- (c) is required to be disclosed by the Recipient to comply with applicable laws or governmental regulations, order of a court or government agency or regulatory authority; or in response to any summons or in connection with any judicial proceeding, provided that the Recipient seeks the consent of the Disclosing Party for such disclosure and takes reasonable and lawful actions to avoid and/or minimize the extent of such disclosure.

5. Disclaimer.

- (a) Any Confidential Information as delivered by the Disclosing Party is on an "as is" basis and all representations and warranties express or implied, including fitness for the Purpose, merchantability, and non-infringement, are hereby disclaimed. The Recipient is not entitled to rely on the accuracy or completeness of any Confidential Information.
- (b) The Parties agree and acknowledge that neither the execution of this Agreement nor the disclosure of Confidential Information pursuant hereto shall obligate either Party to enter into any transactions with one another or any other Party for the Purpose or otherwise.

6. Ownership of Confidential Information. The Recipient agrees that the Disclosing Party are and shall remain the exclusive owner of the Confidential Information.
7. Equitable Remedies. The Recipient acknowledge that monetary damages may not be a sufficient remedy for unauthorized use or disclosure of the Confidential Information and the Disclosing Party shall be entitled, without waiving any other rights or remedies, to seek such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.
8. No Insider Trading. The Recipient acknowledges that some or all of the Confidential Information disclosed under this Agreement may constitute “unpublished price sensitive information” under applicable law. Consequently, each of the Recipient and its representatives that have had access to the Confidential Information (“**Representatives**”) may be deemed to be an “Insider” under applicable law. The Recipient agrees and acknowledges that it is obligated to and shall ensure that its Representatives are compliant with applicable law in respect of the Confidential Information disclosed by the Disclosing Party to the Recipient.
9. Indemnity. The Recipient shall indemnify and hold harmless the Disclosing Party for and against any and all claims, actions, demands, proceedings, damages, losses, fees, penalties, expenses, costs (including attorneys’ and advisors costs) and liabilities arising out of or in connection with any breach of this Agreement by the Recipient.
10. Term. The obligations under this Agreement shall survive in perpetuity.
11. Miscellaneous.
  - (a) Entire Agreement. This Agreement supersedes all prior agreements, (if any) written or oral, between the Disclosing Party and the Recipient relating to the Purpose or subject matter of this Agreement.
  - (b) Amendments. No change, modification, or termination of any of the terms, provisions, or conditions of this Agreement shall be effective unless made in writing and signed or initialed by all the signatories to this Agreement.
  - (c) Assignment. This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns. However, the Recipient cannot transfer or assign his/her rights, benefits, interests or obligations in this Agreement in whole or in part without the prior written consent of the Disclosing Party.
  - (d) Severability. If any clause, paragraph, sub-paragraph, or provision of this Agreement, or the application of such clause, paragraph, sub-paragraph, or provision, is held invalid by a court of competent jurisdiction, the remainder of this Agreement, and the application of such clause, paragraph, sub-paragraph, or provision to persons, or circumstances other than those with respect to which it is held invalid shall not be affected.

- (e) Governing Law and Jurisdiction. This Agreement shall be construed and interpreted in accordance with the laws of India and courts in [INSERT CITY] shall have exclusive jurisdiction to resolve or adjudicate in respect of any differences/ disputes that may arise from or under this Agreement.
- (f) Counterparts. This Agreement may be executed in one or more counterparts which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the signatories have executed this Agreement as on the day and the year first hereinbefore written.

**Signed Sealed and Delivered For  
and on behalf of  
Tata Elxsi Limited**

**Name:**  
Authorised Signatory

In presence of **Signed**

**Sealed and Delivered**

**By**

**[•] Name:**

## ANNEXURE 1B

### FORMAT OF CONFIDENTIALITY NOTICE CONFIDENTIALITY & TRADING WINDOW CLOSURE NOTICE

SHARED BY: @SHAREDDBYPERSONNAME@

FOR: @NATUREOFUPSI@

PURPOSE: @PURPOSEOFSHARING@

Pursuant to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended ("SEBI Regulations"), any person in receipt of Unpublished Price Sensitive Information (UPSI) as defined in the SEBI Regulations, shall be considered as "Insider", even if such information is shared pursuant to a Legitimate Purpose (Purpose).

Notice is hereby given to you by \_ Company Limited (\_\_) vide this Confidentiality Notice that based on information shared with you on a need-to-know basis, you (Recipient) will be considered as an "Insider" and the Trading Window is closed for you for the purposes of the SEBI Regulations and the Tata Code of Conduct for Prevention of Insider Trading (Code), as adopted by \_\_.

You are hereby put to notice that the information shared with you is or may be confidential in nature (Confidential Information). Accordingly, the same shall not be disclosed or disseminated to any other person except as may be permitted under the SEBI Regulations. You are required to hold in strict confidence and use such Confidential Information only for the evaluation and/or consummation of the Purpose and shall not use or exploit such Confidential Information solely for your own benefit or the benefit of another and take adequate precautions to ensure protection of the security, integrity and confidentiality of such UPSI in compliance with the SEBI Regulations.

Further you are requested to note that any violation of this notice will be treated as a violation of the SEBI Regulations and \_Company's Code and shall be liable for disciplinary action and remedial measures as per Company's Code and the SEBI Regulations.

Please note that Confidential Information may be verbal, written, graphics, visual, or electronic including but not limited to such information that may relate to projects (existing and under development), assets, technical data, data flow, knowledge of any relevant matters, business plans and methodology, validations, trade secrets, processes, methods, business systems, formulae, plans, research and development, prototypes, inventions, designs, drawings, sketches, records (of any type or media), test results, information, process, technique, algorithm, computer program (source and object code), pricing, customer lists, employee data, supplier lists, distributor lists, costs, materials, patents (issued or pending), copyrights, trade-marks, trade names, industrial designs, licenses, contracts, contract opportunity, software, hardware, business and marketing plans, financing plans, profit margins and other financial information, manuals, corporate objectives or activities, mergers, acquisitions, sale, private placements, its present or future products or business, sales, subscribers, suppliers, clients, customers, employees, investors or business or any material or non-material fact not publicly released, whether marked as confidential or not.

#### 1. Obligations of the Recipient

- (a) The Recipient and the spouse, parents, siblings and children of such of the Recipient or of the spouse, who are either financially dependent on the Recipient or consult the Recipient in taking decisions relating to trading in securities its ("Immediate Relatives") shall take all measures to protect the confidentiality and prevent the unauthorized use, disclosure, publication, or dissemination of Confidential Information. Provided, however, that such measures shall be no less stringent than measures taken to protect his

or her own confidential and proprietary information but in no event less than reasonable degree of care.

- (b) At any time upon Company's written request and after completion of the project / event for which Confidential Information has been shared, the Recipient shall promptly destroy all documents (or copies thereof) containing Confidential Information provided to it or created by it without retaining any copies thereof. The Recipient shall, promptly provide written confirmation that such destruction has occurred in accordance with this provision.
- (c) The Recipient agrees not to (without obtaining Company's prior written consent) disclose Company's (or where applicable Company's representatives, affiliates or associates or group companies') interest, participation or involvement in the evaluation of, discussions or negotiations undertaken in connection with the Legitimate Purpose in any manner whatsoever, including but not limited to disclosing the name of Company to the press wherever and of whatever nationality in any statements made in connection with Company. This Confidentiality Notice and the evaluation of the Legitimate Purpose shall also be deemed to be "Confidential Information".

2. Disclaimer

- (a) Any Confidential Information as delivered by IHCL is on an "as is" basis and all representations and warranties express or implied, including fitness for the Legitimate Purpose, merchantability, and non-infringement, are hereby disclaimed. The Recipient is not entitled to rely on the accuracy or completeness of any Confidential Information.
- (b) It is agreed and understood that neither this Notice nor the disclosure of Confidential Information pursuant hereto shall obligate Company to enter into any transactions with the Recipient or any other Party for the Legitimate Purpose or otherwise.

3. Ownership of Confidential Information. The Recipient agrees that IHCL is and shall remain the exclusive owner of the Confidential Information.

4. Equitable Remedies. The Recipient acknowledge that monetary damages may not be a sufficient remedy for unauthorized use or disclosure of the Confidential Information and IHCL shall be entitled, without waiving any other rights or remedies, to seek such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

5. No Insider Trading. The Recipient acknowledges that some or all of the Confidential Information disclosed may constitute "unpublished price sensitive information" under applicable law. Consequently, each of the Recipient and its representatives that have had access to the Confidential Information ("Representatives") may be deemed to be an "Insider" under applicable law. The Recipient agrees and acknowledges that he / she /it is obligated to and shall ensure that its Representatives are compliant with applicable law in respect of the Confidential Information disclosed by Company to the Recipient.

6. Indemnity. The Recipient shall indemnify and hold harmless Company for and against any and all claims, actions, demands, proceedings, damages, losses, fees, penalties, expenses, costs (including attorneys' and advisors costs) and liabilities arising out of or in connection with any breach of this Notice by the Recipient.

7. Term. The obligations under this Agreement shall survive in perpetuity.

8. This Notice will be binding upon and inure to the benefit of Company and the Recipient and their respective heirs, successors and assigns. However, the Recipient cannot transfer or assign his/her rights, benefits, interests or obligations in whole or in part without the prior written consent of Company.

9. This Notice shall be construed and interpreted in accordance with the laws of India and

courts in Mumbai (insert applicable jurisdiction) shall have exclusive jurisdiction to resolve or adjudicate in respect of any differences/ disputes that may arise from or hereunder.

## **ANNEXURE 2**

### **SPECIMEN OF APPLICATION FOR PRE-TRADING APPROVAL**

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

To,

**The Compliance Officer  
Tata Elxsi Limited  
ITPB Road, Whitefield  
Bangalore - 560048**

Dear Sir/Madam,

#### **Internal use**

Recd.      date      and  
time:

Sign :

### **APPLICATION FOR PRE-TRADING APPROVAL IN SECURITIES OF THE COMPANY**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Tata Code of Conduct for Prevention of Insider Trading, I seek approval for purchase/ sale/subscription/pledge of Securities (including derivatives) (*Give Description*) of the Company as per the details given below

NAME OF APPLICANT:

\_\_\_\_\_

State whether, the person on behalf of whom the application is being made is:

☐ Director

☐ Designated Person

☐ Immediate Relative

**DESIGNATION**\_\_\_\_\_

**#EMPLOYEE NO.**\_\_\_\_\_ **#DEPARTMENT**\_\_\_\_\_

**LOCATION**\_\_\_\_\_

# to be filled only by Employees

<b>Nature of transaction</b>	<b>*Name of Proposed Buyer/ Seller</b>	<b>No. of Securities</b>	<b>** Previous approval no. and date of purchase /allotment</b>	<b>***Previous approval no. and date for sale/ allotment )</b>	<b>DP/BEN ID of the account / where the securities will be credited/ debited</b>	<b>No. of Securities held in such Account /Folio No.</b>
					<b>DP ID BEN ID</b>	
					<b>FOLIO NO.</b>	

\* applicable for off market transaction

\*\* applicable only if the application is in respect of sale of Securities (including derivatives)

\*\*\* applicable only if the application is in respect of sale of Securities (including derivatives) for which an earlier purchase sanction was granted by the Compliance Officer.

I enclose herewith the form of Undertaking signed by me. Yours

faithfully,

\_\_\_\_\_  
(Signature of Applicant)

**Note:** This application has to be preferably submitted through electronic mail at the dedicated e-mail id. [pit@tataelxsi.co.in](mailto:pit@tataelxsi.co.in) and may be followed by a hard copy.

### **ANNEXURE 3**

#### **FORMAT OF UNDERTAKING/DECLARATION TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE- TRADING**

#### **UNDERTAKING/DECLARATION**

To,  
**Compliance Officer**  
**Tata Elxsi Limited**  
**ITPB Road, Whitefield**  
**Bangalore - 560048**

I, \_\_\_\_\_, resident of \_\_\_\_\_ hereby declare, that I am a Designated Person of [●]. \_\_\_\_\_

I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information [as defined in the Tata Code of Conduct for Prevention of Insider Trading (the Code)] and that this transaction is not linked to any unpublished price sensitive information with respect to the Securities of the Company up to and at the time of signing this Undertaking/Declaration.

In case I have access to or I receive any Unpublished Price Sensitive Information after signing this Undertaking/Declaration but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and refrain myself and shall also ensure that my Immediate Relatives would completely refrain from Trading in the Securities (including derivatives) of the Company till the time such Unpublished Price Sensitive Information becomes generally available.

I declare that I have not contravened the Code as adopted by the Company from time to time.

I undertake to submit the necessary post-trading report within two Trading Days of execution of the transaction/a 'Nil' report if the transaction is not undertaken.

I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.

I agree to comply with the provisions of the Code and provide any information relating to the trade as may be required by the Compliance Officer and permit the Company to disclose such detail to SEBI, if so required by SEBI.

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

\_\_\_\_\_  
(Signature of the Applicant)

Date:

## **ANNEXURE 4**

### **FORMAT FOR PRE-TRADING APPROVAL LETTER**

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

Approval No: \_\_\_\_\_ of \_\_\_\_\_

To,

Mr. /Mrs. \_\_\_\_\_

#Emp. No.: \_\_\_\_\_

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

#### **PRE-TRADING APPROVAL/DISAPPROVAL - Your application dated \_\_\_\_\_**

Dear Mr. /Mrs. \_\_\_\_\_

With reference to your above application (copy enclosed) seeking approval for undertaking certain transactions in Securities (including derivatives) of the Company detailed therein, please be informed that you are / your Immediate Relative \_\_\_\_\_ is hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

§[This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till \_\_\_\_\_ (i.e. for {7} trading days from date hereof). If you / your Immediate Relative \_\_\_\_\_ do (es) not execute the approved transaction /trade on or before this date you would have to seek fresh pre-trading approval before executing any transaction/deal in the Securities (including derivatives) of the Company. Further, you are required to file the details of the executed transactions in the attached format within two {2} Trading Days from the date of transaction/deal. In case the transaction is not undertaken a —Nil report shall be necessary.]

Yours truly,

**Compliance Officer**

*Encl: Format for submission of details of transaction (Annexure 5)*

**# to be filled only by Employees**

**\$ applicable only in case of approval**

## **ANNEXURE 5**

### **FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS**

[To be submitted within 2 Trading Days of transaction/Trading in Securities (including derivatives) of the Company]

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

To,  
**The Compliance Officer**  
**Tata Elxsi Limited**  
**ITPB Road, Whitefield**  
**Bangalore - 560048**

Dear Sir,

#### **DETAILS OF PRE-APPROVED TRANSACTION**

**Ref: Your Approval letter No.**\_\_\_\_\_ **dated** \_\_\_\_\_

I hereby inform you that I / my \_\_\_\_\_

- **have not bought/sold/subscribed any Securities (including derivatives) of the Company**
- OR**
- **have bought / sold /subscribed to Securities (including derivatives) (Give Description) as mentioned below on\_\_ (Insert Date)**

(To strikeout whichever is not applicable)

<b>Name of holder</b>	<b>** First or joint holder</b>	<b>No. of Securities (including derivatives) dealt with</b>	<b>Bought / Sold Subscribed</b>	<b>DP ID/CLIENT ID (electronic form ) where the Security(s). will be debited or credited</b>	<b>Price (Rs)</b>

\*\* "F" first holder "J" joint holder

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 (Five) years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract note
2. Proof of payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

I declare that the above information is correct and that no provisions of the Tata Code of Conduct for Prevention of Insider Trading and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

I declare that I was not in possession of UPSI before the said trade

I declare that my dealing in these Securities (including derivatives) would in no manner be in violation of the provision of the Code, the Regulations and particularly the provisions pertaining to contra trade.

I agree not to enter into any contra trade for a period of [six months] from the date of the aforesaid transaction .

In case there is any urgent need to sell these Securities (including derivatives) within the said period, I shall approach the Company (Compliance Officer) for necessary approval.

Yours truly,

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

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

#Emp. No: \_\_\_\_\_

#Dept./ Div. \_\_\_\_\_

**# to be filled in only by Employees**

**ANNEXURE 6**

Date:

To,

**FORMAT FOR DISCLOSURE OF PARTICULARS BY**  
**PROMOTER / MEMBER OF PROMOTER GROUP / KEY MANAGERIAL PERSONNEL / DIRECTOR/**  
**DESIGNATED PERSON**

**PART A- Details required for making entry into the Register of Designated Persons**

**The Compliance Officer**  
**Tata Elxsi Limited**  
**ITPB Road, Whitefield**  
**Bangalore - 560048**

**Internal use**

Recd. date and time:  
Sign :

Dear Sir,

My personal details are as under:

**NAME OF PROMOTER/MEMBER OF PROMOTER GROUP / KEY MANAGERIAL PERSONNEL (KMP) /DIRECTOR**  
**/DESIGNATED PERSON:**\_\_\_\_\_ **#EMPL NO.:**\_\_\_\_\_ **#GRADE:**\_\_\_\_\_  
**#DEPARTMENT:**\_\_\_\_\_ **FOLIO NO.:**\_\_\_\_\_ **DP ID. & CLIENT ID.:** \_\_\_\_\_  
**#MOBILE NO.:**\_\_\_\_\_ **PAN/OTHER ID. NO.**\_\_\_\_\_ **DATE OF APPOINTMENT:** \_\_\_\_\_

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare that I have the following Immediate Relative(s):

Sr. No.	Name of the Immediate Relative <sup>1</sup>	Relationship with Director/KMP/ Designated Person	PAN/ Other	Folio No./DP Id. & Client Id.	Details of Security/(ies) Held	Address, Phone & Mobile No.

Sr. No.	Name of Person with whom I share a Material Financial Relationship <sup>2</sup>	PAN/ Other id. no.:	Folio No./DP Id. & Client Id.	Phone & Mobile No.

Chronologically List the Names of Educational Institutions from which designated persons have graduated:

Chronologically List the Names of past Employers:

I hereby undertake to inform changes, if any, in the above details from time-to-time. I hereby declare that the above details are true, correct and complete in all respects.

Signature:

Name:

Notes:

1. “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;
2. “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

**# To be filled in only by Employees**

**PART B - Initial Disclosure under Regulation 7 (1) (a) read with Regulation 6**  
**(2) Since the said provision is omitted the same needs to be modified.**

Name of the company: Tata Elxsi Limited

ISIN of the company: Ordinary Shares –

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

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

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

Signature:

Designation:

Date:

Place:

To be aligned as per the omission under Regulation 7 (1) (a)

## **ANNEXURE 7**

### **FORMAT OF ANNUAL STATEMENT OF HOLDINGS BY PROMOTER / MEMBER OF PROMOTER GROUP / KEY MANAGERIAL PERSONNEL / DIRECTOR/ DESIGNATED PERSON AND THEIR IMMEDIATE RELATIVES**

Date:

To,  
**The Compliance Officer**  
**Tata Elxsi Limited**  
**ITPB Road, Whitefield**  
**Bangalore - 560048**

Dear Sir,

#### **STATEMENT OF HOLDINGS OF SECURITIES IN THE COMPANY** **Tata Elxsi Limited**

As on March 31, \_\_, I hereby declare the following details to be true, correct and complete in all respects:

Name of Promoter / Member of Promoter Group/ Director/KMP/ Designated Person	Designation	PAN/ Other identification no.:	Folio No./DP Id. & Client Id.	Details of Security/(ies) Held	Address, Phone & Mobile No.

Sr. No.	Name of Immediate Relative 1	Relationship with Director/KMP/ Designated Person	PAN/ Other id. no.:	Folio No./DP Id. & Client Id.	Details of Security/(ies) Held	Address, Phone & Mobile No.

Sr. No.	Name of Person with whom I share a Material Financial Relationship 2	PAN/ Other id. no.:	Folio No./DP Id. & Client Id.	Phone & Mobile No.

Sr. No.	Name of a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative, has more than ten per cent. of the holding or interest	Relationship with Director/KMP/ Designated Person	PAN/ Other id. no.:	Folio No/DP Id. & Client Id.	Details of Security/(ie s) Held	Address, Phone & Mobile No.

I hereby also undertake to promptly inform changes, if any, in the above details from time-to-time.

Yours truly,

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

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

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

#Emp. No.: \_\_\_\_\_

#Dep. /Div.: \_\_\_\_\_

Notes:

1. “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;
2. “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

**# To be filled in only by Employees**

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Would be automatically captured by SDD as per SEBI Circular. However since Regulation still mentions this is retained

**FORMAT FOR DISCLOSURE OF TRANSACTIONS CROSSING CERTAIN THRESHOLDS BY PROMOTER/ MEMBER OF PROMOTER GROUP/DIRECTORS/ DESIGNATED PERSONS PURSUANT TO REGULATION 7 (2) READ WITH REGULATION 6(2)**

**(To be submitted within 2 Trading Days of transaction/Dealing in Securities (including derivatives) of the Company)**

Name of the company: Tata Elxsi Limited

ISIN of the company: Ordinary Shares –

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

Name, PAN No., CIN/DIN & address of Promoter / Member of Promoter Group / Designated Person / Director with contact nos.	Category of Person (Promoters /Member of Promoter Group / KMP/ Designated Person/ Directors / immediate relatives /others, etc.)	Securities held prior to acquisition / disposal		Securities acquired/ disposed		% of Share holding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase /public rights preferential offer /off market/ Inter-se transfer , etc.	Trading in derivatives (Specify type of contract, Futures or Options, etc.)				Exchange on which the trade was executed
												Buy		Sell		
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures , etc.)	No.	Type of security (For e.g. – Shares, Warrants, Convertible Debentures , etc.)	No.	Pre transaction	Post transaction	From	To			Value	Number of units (contracts * lot size )	Value	Number of units (contracts * lot size )	

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

Signature:

Designation:

Date:

Place:

## ANNEXURE 9

**Indicative format for reporting under Regulation 7(3) by other Connected Persons (if so desired by the Company)**

Name, PAN No., CIN/DIN & address of connected persons, as identified by the company with contact nos.	Connecti on with compan y	Securities held prior to acquisition / disposal		Securitie s acquired / disposed		% of Shareholdin g		Date of allotment advice/ acquisition of shares/ sale of shares specif y		Date of intim a tion to comp any	Mode of acquisitio n (market purchase / public rights preferent i al offer / off market/ Inter-se transfer, etc.	Trading in derivatives (Specify type of contract, Futures or Options, etc.)				Exchang e on which the trade was executed
		Type of security (For e.g. - Shares, Warrants, Conver tible Deben tures, etc.)	No.	Type of security (For e.g.- Shares, Warrants , Conver tible Deben tures, etc.)	No.	Pre transa ction	Post transa ction	From	To			Bu y		Sell		
												Value	Num ber of units (cont racts * lot size )	Value	Numb er of units (contr a cts * lot size)	

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

Name:

Signature:

Date:

Place:

## **ANNEXURE 10**

### **POLICY FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*[Under Regulation 9A of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015]*

#### **1. Background**

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“**SEBI PIT Regulations**”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

#### **2. Applicability**

This Policy shall be applicable with effect from April 1, 2019.

#### **3. Scope**

This Policy deals with-

- a) Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
- b) Strengthening the internal control system to prevent leak of UPSI.
- c) Penalizing any insider who appears to have found guilty of violating this policy.

#### **4. Definitions**

The definitions of some of the key terms used in the Policy are given below. Capitalised terms are not defined herein shall have the meaning assigned to them under the Code/SEBI PIT Regulations.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Companies in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

“**Code**” means the [Tata] Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

“**Company**” means Tata Elxsi Limited

“**Compliance Officer**” means the person as defined in Code.

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

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

**"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, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel;
- (vi) such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer/Company Secretary from time to time. (*Regulation 2(1)(n)*)

**“Whistle Blower”** means an employee making a protected disclosure under the Whistle Blower Policy of the Company.

**“Working days”** means working days of the Company.

## **5. Procedure for inquiry in case of Leak or suspected Leak of UPSI**

### **a) Source of information relating to leak of UPSI**

The Ethics Counsellor/Chairman of Audit Committee may on becoming aware suo moto or on receipt of a written intimation of leak or suspected leak of UPSI from:

- the Suspect
- any other person, including employees of the Company
- regulators

follow the below mentioned procedure in order to inquire and/or investigate the matter.

### **b) Preliminary Inquiry:**

The object of preliminary inquiry is fact-finding, to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry.

The Ethics Counsellor /Chairman of Audit Committee shall forthwith forward such intimation to CEO and/or CFO to conduct a preliminary inquiry headed by Compliance Officer. The said inquiry shall be completed within 2 working days from the date of

receipt of such intimation and report thereof shall be circulated to the Chairman of Audit Committee/CEO/CFO .

**c) Intimation of Leak or suspected Leak of UPSI**

If in the opinion of Chairman of Audit Committee/CEO/CFO and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to:

- The Board of Directors
- Inquiry Committee for detailed investigation

The Compliance Officer shall simultaneously intimate SEBI about such Leak or suspected Leak of UPSI.

**d) Inquiry Committee**

Inquiry Committee shall consist of the following persons or any person nominated by such officers from their department-

- Chief Financial Officer
- Head of Legal
- Head of Information Security
- Head of Human Resources
- Any other person nominated by Chief Executive Officer/Managing Director

If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

**e) Investigation by Inquiry Committee**

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation. The said investigation shall be completed within 15 working days from the date of receipt of report of the preliminary inquiry. The Inquiry Committee's investigation report shall be submitted to the Audit Committee/ Board of Directors and the Compliance Officer immediately, and such report shall also be submitted to SEBI by the Compliance Officer forthwith.

**6. Powers of the Inquiry Committee**

For purpose of conducting inquiry, the Inquiry Committee :

- a) may call upon
- such employees/individuals to seek clarification or information pertaining to the leak.
  - persons / members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures.
  - persons involved in the consolidation of the figures for the financial results.
  - persons involved in the preparation of board notes and presentations.
  - persons involved in dissemination of information relating to financial results in the public domain.

- any other persons who had access to the information.
  - any market intermediaries, fiduciaries and other person/ entities who have access to UPSI for inquiry conducted for leak of such UPSI.
- b) may at its discretion, invite external investigators/experts.
  - c) may take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings.
  - d) shall keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
  - e) shall notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
  - f) shall do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

## **7. Rights and Obligations of the Suspect**

- a) The Suspect shall-
  - co-operate with the Preliminary Inquiry Committee and the Inquiry Committee during the investigation process.
  - have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
  - right to be informed of the outcome of the investigation
- b) The Suspect(s) has the responsibility not to interfere with the investigations. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.
- c) Unless there are compelling reasons not to do so, Suspects will be given the opportunity to respond to material findings contained in investigation report. No allegation of wrongdoing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

## **8. Consequences of non-compliance**

- a) On receipt of report of inquiry committee, the Compliance Officer shall forthwith forward such report to Audit Committee. Compliance Officer shall forthwith forward such report to SEBI.
- b) The disciplinary action against Suspect may be taken within 15 working days from receipt of investigation report by Audit Committee in consultation with Board of Directors or any other person authorised by the Board.
- c) The disciplinary action may include wage freeze, suspension, recovery, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Board.
- d) SEBI or any other appropriate regulatory authority would also be informed by the Compliance Officer, of such violation who may take appropriate action against the Suspect.

## **CODE OF CORPORATE DISCLOSURE PRACTICES**

### **Overseeing and co-ordinating disclosure:**

The Board of the Company shall designate a senior officer as a Chief Investor Relations Officer who would be responsible to ensure timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information (“UPSI”) pursuant to this Code as required under the Regulations so as to avoid selective disclosure.

The Chief Investor Relations Officer / Person in charge of the PR function? shall report to the Managing Director/Chief Executive Officer as the case may be and shall also co-ordinate with the Compliance Officer. Need to re visit this. To examine the possibility of CISO & Compliance Officer being the same or designate the CFO as the CISO

The Chief Investor Relations Officer shall ensure that information shared with analysts and research personnel is not UPSI. The Chief Investor Relations Officer shall be responsible for overseeing and co-ordinating disclosure of UPSI to analysts, shareholders and media, and educating Employees on disclosure policies and procedures.

**The Chief Investor Relations Officer, shall also ensure that when interacting with media and external public, guidelines for disclosure of UPSI are complied with.**

All disclosure/dissemination of any UPSI (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the Chief Investor Relations Officer, for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the Chief Investor Relations Officer. In case of doubt, the Chief Investor Relations Officer, shall consult and seek approval of the Managing Director/ Chief Executive Officer before dissemination of such information.

Should any dissemination of information on behalf of the Company take place without prior approval referred above, out of accidental omission, selectively, inadvertently or otherwise by any Employee / Director of the Company then such Employee / Director of the Company shall forthwith inform the Chief Investor Relations Officer., about such disclosure. The Chief Investor Relations Officer will then promptly disseminate the information so as to make such information generally available.

**Responding to market rumours:**

The Employee/ Director of the Company shall promptly direct any queries on news reports or requests for verification of market rumours received from regulatory authorities to the Chief Investor Relations Officer / Compliance Officer.

The Chief Investor Relations Officer, shall on receipt of requests as aforesaid, consult the Managing Director/ Chief Executive Officer as the case may be and send an appropriate and fair response to the same.

The Chief Investor Relations Officer shall be responsible for deciding in consultation with the Managing Director/Chief Executive Officer of the Company as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

All requests/queries received shall be documented and as far as practicable, the Chief Investor Relations Officer, shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Chief Investor Relations Officer, unless the Managing Director/ Chief Executive Officer approves the same.

**Disclosure/ dissemination of UPSI with special reference to analysts, institutional investors:**

No person, except those authorized by the Chief Investor Relations Officer, shall disclose any information relating to the Company's Securities to analysts and research persons. The Chief Investor Relations Officer, shall be invited to meetings/ conferences organized by the Company with analysts/research persons.

All Directors and Employees of the Company should follow the guidelines given hereunder while dealing with analysts and institutional investors: -

**Sharing of UPSI:**

The Employee and Director of the Company shall provide only public information to analysts/ research persons. In case any UPSI is proposed to be provided, the person proposing to so provide information shall consult the Chief Investor Relations Officer, in advance. The Chief Investor Relations Officer, shall ensure that that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure.

The Company shall take extreme care and caution when dealing with Analysts' questions that raise issues outside the intended scope of discussion.

The Chief Investor Relations Officer, should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Managing Director/ Chief Executive Officer. If the answer to any question requires dissemination of UPSI, the Chief Investor Relations Officer, shall report the same to the Managing Director/Chief Executive Officer and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement through press. The Chief Investor Relations Officer, shall, after dissemination of such UPSI, respond to such unanticipated questions.

The Chief Investor Relations Officer shall handle all the UPSI on a need-to- know basis only. In case of doubt, the Chief Investor Relations Officer, shall consult and seek approval of the Managing Director/ Chief Executive Officer before dissemination of such information.

**Legitimate Purpose:**

The term "*legitimate purpose*" shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of the Regulations and execution of confidentiality agreement (see **Annexure 1B**) with such persons, to maintain confidentiality of such UPSI in compliance with the Regulations.

**Recording of discussion:**

All analyst and other investor relations conferences shall be attended by the Chief Investor Relations Officer who may be accompanied by any other Employee(s) of the Company. In order to avoid misquoting or misrepresentation, the Chief Investor Relations Officer can make transcripts or arrangements for recording the discussions at the meeting. Point 7 of Schedule A of PIT regulations, the company should preserve the recordings of meetings and conference calls for a period of 1 year. Company may ask for recordings of call that are hosted by outside parties and preserve such recordings for a period of one year.

**Simultaneous release of information:**

Whenever the Company proposes to organise meetings with investment analysts/research person, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets.

The Chief Investor Relations Officer, shall be responsible for drafting of the press release or the text of the information to be posted on the Company's web-site, in consultation with the Managing Director/Chief Executive Officer.

**Medium of disclosure/ dissemination:**

The Company shall disseminate all credible and concrete UPSI on a continuous and in a timely manner to stock exchanges where its Securities are listed in accordance with the requirements of applicable law and thereafter to the press.

As a good corporate practice, the UPSI disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's web-site. The Company may also

consider other modes of public disclosure of UPSI so as to improve investor access to the same.

The Chief Investor Relations Officer, may mark a copy of the press release to Chief - Group Corporate Affairs and Media, Tata Sons Private Limited, simultaneously for supplementing the Group's website: [www.tata.com](http://www.tata.com).

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The information filed by the Company with the Stock Exchanges under the Stock Exchange Listing Agreement shall also be posted on the Company's website.

The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges, as required under the Regulations.

## **APPENDIX A**

Please click here to view [Securities and Exchange Board Of India \(Prohibition Of Insider Trading\) Regulations, 2015](#)

## **APPENDIX B**

**An extract of Sections 15G and 24 the SEBI Act, 1992 15G. Penalty**

### **for insider trading**

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 any body corporate on the basis of unpublished price-sensitive information, shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty- five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

### **24. Offences**

(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.

## **Policy on Determination of Legitimate Purpose**

### **1. Background**

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of unpublished price sensitive information ('**UPSI**'), it could result in an undue advantage to such persons. The trading in the securities of the Company by an insider is governed by and subject to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('**Regulations**') as amended from time to time and the Tata Code of Conduct for Prevention of Insider Trading and Code for Corporate Disclosure Practices ('**Code**').

This "**Policy on Determination of Legitimate Purpose**" ('**Policy**') is framed by the Board of Directors of the Company pursuant to the amendment in the Regulations, in 2018 and is part of "**Tata Code of Corporate Disclosure Practices**". (*Regulation 3(2A) and 3(2B)*)

This policy is effective from April 1, 2019.

### **2. Applicability** (*As specified in Code*)

This policy is applicable to all Insiders.

### **3. Definitions**

**(a) "Connected Person"** means Connected Person as defined under Regulations 2(1)(d)).

**(b) Deemed Connected Person**

**(c) "Insider"** means any person who is

- i) a Connected Person or
- ii) in possession of or having access to Unpublished Price Sensitive Information. (*Regulation 2(1)(g)*)

**(d) "Unpublished price sensitive information or UPSI"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (vii) financial results;
- (viii) dividends;
- (ix) change in capital structure;
- (x) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business award or termination of order/contracts not in the normal course of business and such other transactions;
- (xi) changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- (xii) Change in ratings other than ESG ratings; Fund-raising proposed to be undertaken
- (xiii) Agreements, by whatever name called, which may impact the management or control of the company
- (xiv) Fraud/defaults by the company, its promoters, directors, Key Managerial Personnel (KMP) or subsidiary or arrest of KMP, promoter or director of the Company, whether occurred within India or abroad;
- (xv) Resolution plan/restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions
- (xvi) Admission of winding up petition filed by any party / creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code
- (xvii) Initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation / siphoning or diversion of funds and receipt of final forensic audit report;
- (xviii) Action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company
- (xix) Outcome of any litigation(s) or dispute(s) which may have an impact on the company
- (xx) Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party, by the company not in the normal course of business
- (xxi) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

Explanation 1- For the purpose of sub-clause (i):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at

paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable

- (xxii) [such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer/Company Secretary from time to time. *(Regulation 2(1)(n))*]

#### **4. Legitimate Purpose**

“Legitimate Purpose” shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis. The Company may share the UPSI if required in the interest of the Company.

Legitimate Purpose shall interalia include sharing of UPSI on need to know basis by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations. *(Regulation 3(2A) and 3(2B)).*

In following cases which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

- i. For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;  
*Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.*
- ii. Under any proceedings or pursuant to any order of courts or tribunals;  
*Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.*
- iii. As part of compliance with applicable laws, regulations, rules and requirements;

*Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.*

- iv. Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking.

*Example: Due-diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreement, etc.*

- v. Arising out of business requirement including requirement for the purposes of promoting the business and Strategies of business. Which may requires sharing of information with Promoters and Promoters in turn with their Promoters as well as by Promoters with their advisors, consultants, intermediaries, fiduciaries etc.

*Example: Some of the examples which are illustrative in nature are as mentioned below;*

- Sharing the relevant UPSI by Company or Promoters for advice, consultation, valuation, fund raising or other intermediation and approvals in relation to the subject matter of a proposed deal/assignment/tie-up/venture/fund raising;
- Sharing the relevant UPSI by Company or Promoters with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, auditors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;
- Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals on projects relating to enterprise transformation, strategy, change management, analytics, re-organization, operation improvement, technology and similar domains;
- Sharing the relevant UPSI by Company or Promoters with business partners essential to fulfill the terms and conditions of a business contract with a client, vendor, collaborator or lender;
- Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
- Sharing the relevant UPSI by Company or Promoters for statutory consolidation requirements or related customary disclosure obligations;
- Sharing the relevant UPSI by Company or Promoters with persons

engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and shall comply with the Code.

## **5. Process for sharing UPSI**

The insider may conduct the following steps while sharing UPSI:

- i) Satisfy that information is UPSI and sharing is for legitimate purpose
- ii) Identify the persons with whom the information is to be shared
- iii) Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.
- iv) Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement or verbal exchange.
- v) Maintain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared. The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This database shall be kept confidential.

## **6. System Audit**

There should be periodic audit once in a year to ensure the integrity of the system and data maintained.

## **7. Policy Review**

The Policy shall be reviewed periodically in accordance with review of internal control and check as well as changes or any regulatory requirements from time to time.

In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.

***Legitimate Purpose referred to in the SEBI (Prohibition of Insider Trading) Regulations, 2015***

**Regulation 3:**

**(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.

**(2A)** The board of directors of a listed company shall make a policy for determination of **“legitimate purposes”** as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8.

**Explanation** -“legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

**(2B)** Any person in receipt of unpublished price sensitive information pursuant to a **“legitimate purpose”** shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

**POLICY FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Under Regulation 9A of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015]

## **1. Background**

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“**SEBI PIT Regulations**”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

## **2. Applicability**

This Policy shall be applicable with effect from April 1, 2019.

## **3. Scope**

This Policy deals with-

- a) Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
- b) Strengthening the internal control system to prevent leak of UPSI.
- c) Penalizing any insider who appears to have found guilty of violating this policy.

## **4. Definitions**

The definitions of some of the key terms used in the Policy are given below. Capitalised terms are not defined herein shall have the meaning assigned to them under the Code/SEBI PIT Regulations.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Companies in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

“**Code**” means the [Tata] Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

“**Compliance Officer**” means the person as defined in Code.

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

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

**"Unpublished price sensitive information or UPSI"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (xxiii) financial results;
- (xxiv) dividends;
- (xxv) change in capital structure;
- (xxvi) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business award or termination of order/contracts not in the normal course of business and such other transactions;
- (xxvii) changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- (xxviii) Change in ratings other than ESG ratings; Fund-raising proposed to be undertaken
- (xxix) Agreements, by whatever name called, which may impact the management or control of the company
- (xxx) Fraud/defaults by the company, its promoters, directors, Key Managerial Personnel (KMP) or subsidiary or arrest of KMP, promoter or director of the Company, whether occurred within India or abroad;
- (xxxi) Resolution plan/restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions
- (xxxii) Admission of winding up petition filed by any party / creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code
- (xxxiii) Initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation / siphoning or diversion of funds and receipt of final forensic audit report;
- (xxxiv) Action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company
- (xxxv) Outcome of any litigation(s) or dispute(s) which may have an impact on the company
- (xxxvi) Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party, by the company not in the normal course of business
- (xxxvii) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

Explanation 1- For the purpose of sub-clause (i):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable

(xxxviii) such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer/Company Secretary from time to time. *(Regulation 2(1)(n))*

**“Whistle Blower”** means an employee of a Company making a disclosure under the Whistle Blower Policy.

**“Working days”** means working days of the Company.

## **5. Procedure for inquiry in case of Leak or suspected Leak of UPSI**

### **a) Source of information relating to leak of UPSI**

The Ethics Counsellor/Chairman of Audit Committee may on becoming aware suo moto or on receipt of a written intimation of leak or suspected leak of UPSI from:

- the Suspect
- any other person, including employees of the Company
- regulators

follow the below mentioned procedure in order to inquire and/or investigate the matter.

### **b) Preliminary Inquiry:**

The object of preliminary inquiry is fact-finding, to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry.

The Ethics Counsellor /Chairman of Audit Committee shall forthwith forward such intimation to CEO and/or CFO to conduct a preliminary inquiry headed by Compliance Officer. The said inquiry shall be completed within 2 working days from the date of receipt of such intimation and report thereof shall be circulated to the Chairman of Audit Committee/CEO/CFO and Compliance Officer.

### **c) Intimation of Leak or suspected Leak of UPSI**

If in the opinion of Chairman of Audit Committee/CEO/CFO and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to:

- a. The Board of Directors
- b. Inquiry Committee for detailed investigation

The Compliance Officer shall simultaneously intimate SEBI about such Leak or suspected Leak of UPSI.

### **d) Inquiry Committee**

Inquiry Committee shall consist of the following persons or any person nominated by such officers from their department-

- a. Chief Financial Officer
- b. Head of Legal
- c. Head of Information Security
- d. Head of Human Resources
- e. Any other person nominated by Chief Executive Officer/Managing Director

If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

**e) Investigation by Inquiry Committee**

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation. The said investigation shall be completed within 15 working days from the date of receipt of report of the preliminary inquiry. The Inquiry Committee's investigation report shall be submitted to the Audit Committee and summary report shall be submitted to Board immediately, and such report shall also be submitted to SEBI simultaneously.

**f) Powers of the Inquiry Committee**

For purpose of conducting inquiry, the Inquiry Committee may call upon

- such employees/individuals to seek clarification or information pertaining to the leak.
  - persons / members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures.
  - persons involved in the consolidation of the figures for the financial results.
  - persons involved in the preparation of board notes and presentations.
  - persons involved in dissemination of information relating to financial results in the public domain.
  - any other persons who had access to the information.
  - any market intermediaries, fiduciaries and other person/ entities who have access to UPSI for inquiry conducted for leak of such UPSI.
- 
- at its discretion, invite external investigators/experts.
  - take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings.
  - keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
  - notify the Suspect of the allegations at the outset of internal investigation and provide him

opportunity to represent his case and submit evidence.

- do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

#### **g) Rights and Obligations of the Suspect**

The Suspect shall-

- co-operate with the Inquiry Committee during the investigation process.
- have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
- right to be informed of the outcome of the investigation

The Suspect(s) has the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.

Unless there are compelling reasons not to do so, Suspects will be given the opportunity to respond to material findings contained in investigation report. No allegation of wrongdoing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

#### **h) Consequences of non-compliance**

- On receipt of report of inquiry committee, the Compliance Officer shall forthwith forward such report to Audit Committee.
- The disciplinary action against Suspect may be taken within 15 working days from receipt of investigation report by the Audit Committee in consultation with the Board of Directors or any other person authorised by the Board.
- The disciplinary action may include wage freeze, suspension, recovery, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Board.
- SEBI/Stock Exchanges or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the Suspect.