

# **Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information and Trading in Listed Securities**

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## 1. Background

This code of conduct for fair disclosure of unpublished price sensitive information and trading in listed securities (“Code”) has been framed by Northern Arc Capital Limited in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Regulations”) which stipulates, *inter alia*, the practices and procedures for:

- a. fair disclosure of UPSI (defined below); and
- b. monitoring, regulating and reporting trading in listed Securities (defined below) by Designated Persons (defined below) and their Immediate Relatives (defined below).

This Code and every amendment thereto shall be promptly intimated to the stock exchange on which the Securities of the Company is listed. The Code shall be published on the website of the Company.

This version of the Code shall be applicable from October 01, 2021.

## 2. Definitions

All terms capitalized or not defined herein shall have the meaning given to them under the Insider Trading Regulations.

- a. “**Chief Investor Relations Officer**” shall mean such Designated Person of the Company identified as such by the Chief Executive Officer of the Company for the purpose of this Code.
- b. “**Company**” shall mean Northern Arc Capital Limited.
- c. “**Compliance Officer**” shall mean the Company Secretary of Northern Arc Capital Limited.
- d. “**Connected Person**” shall have the meaning assigned to such term under the Insider Trading Regulations.
- e. “**Designated Persons**” in respect of listed and proposed to be listed Securities of the companies listed in the Restricted List shall refer to all employees of the Company and the subsidiaries and in respect of listed and proposed to be listed Securities of the Company shall mean the following:
  - (i) Directors of the Company and its subsidiaries;
  - (ii) Chief Executive Officer and employees up to two levels below Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
  - (iii) All CXO level employees of the Company and its subsidiaries;
  - (iv) All key managerial personnel of the Company and its subsidiaries;
  - (v) Members of the Policy Group;
  - (vi) Business Heads;
  - (vii) Functional Heads;
  - (viii) Executive Assistants and Personal Assistants of Executive Directors;
  - (ix) Members of the following teams:
    - a) Treasury
    - b) Investor Relations
    - c) Secretarial
    - d) Corporate communication
    - e) Strategy
    - f) Legal

- g) Compliance
  - h) Risk Analytics
  - (x) Such members of the following teams who is in possession of or having access to UPSI:
    - a) Accounts team
    - b) Technology team
  - (xi) Such other persons which in the opinion of the Compliance Officer is in possession of or having access to UPSI; and
  - (xii) Immediate Relatives of the Designated Persons as defined above.
- f. **“Directors”** means the directors of the Company and **“Director”** means anyone of them.
- g. **“Insider”** means a Connected Person or a person in possession of or having access to UPSI.
- h. **“Immediate Relatives”** 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.
- i. **“Legitimate Purpose”** shall, for the purpose of this Code, mean sharing of UPSI in the ordinary course of business by an Insider. It shall include sharing of UPSI with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants. Provided however, that such sharing is not carried out to evade or circumvent the Insider Trading Regulations.  
Policy for determination of ‘legitimate purpose’ is provided in the Policy for Fair Disclosure of UPSI.
- j. **“proposed to be listed”** shall have the meaning assigned to such term under the Insider Trading Regulations.
- k. **“Restricted List”** shall mean a list containing the names of companies relating to which the Company has or is expected to have UPSI. Such companies could include without limitation: a) clients (potential or otherwise) of the Company whose Securities are listed on a stock exchange and b) listed entities that form part of the same group as a client.
- l. **“SEBI Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- m. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956.
- n. **“Unpublished price sensitive information”** or **“UPS I”** means 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 such securities. Examples of unpublished price sensitive information might include (without limitation) information relation to the following:
  - i. Acquisition and divestiture of businesses or business units;
  - ii. Financial information such as profits, earnings and dividends;
  - iii. Announcement of new product introductions, expansion of the business or other developments;
  - iv. Asset revaluations;
  - v. Investment decisions / plans;
  - vi. Changes in directors/ key managerial personnel;
  - vii. Change in capital structure;
  - viii. Restructuring plans; and
  - ix. Borrowings and finance.

### **3. Communication of Unpublished Price Sensitive Information**

No Insider shall communicate, provide, or allow access to any UPSI, relating to a company or securities listed or proposed to be listed, to any person, including other Insiders. Further, no persons shall procure from or cause the communication of UPSI by an Insider.

Provided, UPSI relating to the Company or other companies (including clients of the Company) or securities listed or proposed to be listed may be shared or disclosed subject to the following conditions:

- a. The disclosure of UPSI is in pursuance of Legitimate Purposes, performance of duties or such other ground as allowed under the Insider Trading Regulations;
- b. The disclosure of UPSI shall be on a strict need-to-know basis; and
- c. In case of a proposed disclosure to third parties or persons outside the organization, after the execution of confidentiality agreements.

The Company shall maintain a structured digital database containing the names of such persons or entities, as the case may be, with whom information is shared under the Insider Trading Regulations along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available.

In accordance with the principles of fair disclosure contained in Schedule A of the Insider Trading Regulations, the Chief Investor Relations Officer along with the Company Secretary shall be responsible for dissemination of information relating to the Company as per the SEBI Listing Regulations.

### **4. Dissemination of information to analysts, investors and public**

In order to maintain a transparent and effective two-way communication between Company, the financial community, the Company shall interact with equity research analysts, investors and other members of the investing community from time to time.

During these interactions, the Company shall ensure that no UPSI is disclosed selectively to any one or group of research analysts or investors, to the disadvantage of other stakeholders. In structured communication events, the Company may make arrangements to ensure that the interactions at the event are available to the public simultaneously. This simultaneous access may be achieved by making arrangements for simultaneous audio broadcast of such interaction/ calls over the phone or internet or suitable media with due notice of such interaction.

Designated Persons should take all steps and precautions necessary to restrict access to, and secure, UPSI by, among other things:-

- a) maintaining the confidentiality of UPSI;
- b) conducting their business/ professions and personal/ social activities so as not to risk inadvertent disclosure of UPSI;
- c) reviewing confidential documents in public places should be restricted so as to prevent access to UPSI by unauthorized persons.
  - Restricting access to documents and files (including computer files) containing UPSI to persons on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);

- Files containing UPSI shall be kept secured with restricted access, and computer files containing UPSI should be protected with the help of login, passwords, etc. Appropriate physical and informational barriers shall be put in place to ensure confidentiality of UPSI;
- Promptly removing and cleaning up all confidential documents and other materials containing UPSI from conference rooms following the conclusion of any meetings;
- Restricting access to areas likely to contain confidential documents or UPSI; and
- Avoiding any discussion pertaining to UPSI in places where the information could be overheard by others, such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs, etc.;
- Persons in possession of, or having access to, UPSI, to the extent feasible, should conduct their business and other activities in areas separate from other Company activities, so as to avoid any leak of UPSI.

## **5. Trading in Listed Securities**

Other than as permitted under the Insider Trading Regulations, 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. No Designated Person shall trade in Securities of the Company, Company's clients and the companies appearing in the Restricted List that are listed or proposed to be listed on a stock exchange when in possession of UPSI.

Any Designated Person proposing to execute any personal trade shall check if the Securities (that are listed or proposed to be listed on a stock exchange) proposed to be traded pertain to a company which appears in the Restricted List. If so, then such trade shall be carried out only with the pre-clearance of the Compliance Officer.

Provided however, subject to requirements of applicable law, the Compliance Officer may provide a blanket permission to employees or a class of employees to subscribe to buy or sell securities or a class of securities subject to such conditions as he/ she may deem fit.

In respect of Securities of the Company (that are listed or proposed to be listed on a stock exchange), any trade by any Designated Person shall be carried out only with the pre-clearance of the Compliance Officer if the value of the proposed trade and the value of the Securities of the Company (that are listed or proposed to be listed on a stock exchange) traded by such Designated Person whether in one transaction or a series of transactions during such calendar quarter on an aggregate basis will exceed INR. 10 lakhs/- (Indian Rupees Ten Lakhs only) and this requirement shall be a mandatory requirement even when the trading window (as detailed here below) is open. For this purpose, the Compliance Officer may require such Designated Person to furnish declarations in accordance with the Insider Trading Regulations. Trades so precleared shall be executed by the concerned Designated Person, within a period of not exceeding seven days, failing which fresh pre-clearance shall be obtained for the trades to be executed.

Subject to the Insider Trading Regulations, no Designated Person shall execute a contra trade within 6 (six) months from the execution of a pre-cleared trade.

It shall be the responsibility of the business heads reporting to Chief Operating Officer to update and confirm the names in the master list of clients of the Company received by them from time to time within 5 days therefrom to the Compliance Officer so as to enable the Compliance Officer to include the names of the

companies whose UPSI is handled or expected to be handled by the Company in the Restricted List. Any employee of the Company who gains possession of or access to UPSI of any other company which has listed or proposed to be listed securities in the course of exploring any inorganic or strategic or new business line opportunities in relation to the Company shall communicate the same in writing to the Compliance Officer so as to enable the Compliance Officer to include the relevant names in the Restricted List..

Without prejudice to other restrictions contained in this Code, Designated Persons may execute trades in the Securities of the Company (that are listed or proposed to be listed on a stock exchange) only when the trading window is open. Unless otherwise specified by the Compliance Officer, the trading window shall be closed for all Designated Persons during the following periods:

- ✦ for the period between the twentieth day prior to the last day of any financial period for which results are required to be announced by the Company and until the second trading day after the disclosure/ declaration of the respective financial results for the said period;
- ✦ for the period from the end of every quarter till 48 hours after the declaration of financial results; and
- ✦ 2 (two) calendar days prior to and 2 (two) calendar days after:
  - any intended announcements regarding amalgamation, mergers, takeovers and buy- back, disposal of whole or substantially whole of the undertaking, issue of Securities by way of public / rights / bonus etc., any major expansion plans or execution of new projects, and
  - any changes in policies, plans or operations of the Company that could have a material impact on its financial performance.

The Company is required to ensure that the gap between clearance of accounts by audit committee and board meeting shall be as narrow as possible and preferably on the same day to avoid leakage of material information.

The trading window shall be closed when the Board of Directors of Northern Arc Capital Limited or the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI and shall remain closed during the time the UPSI remains un-published. The Trading Window can be opened 48 (forty-eight) hours after the UPSI is made public.

## **6. Trading Plans**

Designated Persons wishing to execute personal trades in Securities of the Company (that are listed or proposed to be listed on a stock exchange) while in possession of related UPSI, may only do so pursuant to a trading plan approved by the Compliance Officer.

Trading plan shall contain details of the companies in whose Securities the individual wishes to trade in, the number or value of Securities proposed to be traded, and the proposed dates for execution of the trade.

If the Compliance Officer is satisfied that the proposed trade would not involve any violations of this Code or the Insider Trading Regulations, the trading plan may be approved and disseminated to the stock exchange. Further the trading plan shall not entail trading during the period between twenty days prior to the last day of any financial period for which results are required to be announced by the issuer of the Securities the individual wishes to trade in, and the second trading day after the disclosure of such financial results.

The trade shall be executed after a minimum period of 6 (six) months has elapsed since the date of dissemination of the trading plan to the stock exchange. The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

## **7. Reporting Obligations**

- a. Every Designated Person shall disclose names and PAN or any other identifier authorized by law of the following persons (together with the phone, mobile and cell numbers used by them) to the Company on an annual basis and as and when the information changes:
  - i. Immediate Relatives; and
  - ii. persons with whom such Designated Person shares a material financial relationship, that is, 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 12 (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.

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

- b. Every Designated Person who obtained pre-clearance for trades in terms of this Code shall be required to submit a report containing details of (i) the trade executed pursuant to such pre-clearance, within two trading days of such execution where the trade was executed or (ii) the decision not to trade after securing pre-clearance within two trading days of such decision where the trade was not executed ("Action-Taken Report").
- c. The HR function shall be responsible for the maintenance of declarations mentioned in point a of Reporting Obligations above. As part of the said employee-level records, the HR function shall also maintain records of trading pre-clearances provided by the Compliance Officer and the Action-taken Reports.
- d. Reporting obligations specific to Securities of the Company (that are listed or proposed to be listed on a stock exchange):
  - i. Every key managerial personnel and Director shall disclose to the Company their holding of such Securities of the Company as on the date of appointment within seven days of such appointment. It shall be the responsibility of the Company Secretary to ensure that such a declaration is obtained from the key managerial personnel and Directors.
  - ii. Every Designated Person shall disclose to the Company (addressed to the Compliance Officer with a copy to the Company Secretary) the number of such Securities of the Company acquired or disposed of by them within two trading days, if such transaction or the value of the securities traded (whether in one transaction or a series of transactions over any calendar quarter) aggregates to a traded value in excess of ten lakh rupees. Thereafter, it shall be the duty of the Company Secretary to disseminate in terms of the Insider Trading Regulations the particulars of such trading to the stock exchange within two trading days of receipt of the disclosure or from becoming aware of such information.

The Compliance Officer shall prescribe the format for all declarations to be made pursuant to this Code.



## **8. Whistle-blower Policy**

All contraventions (including threatened or suspected) of the Insider Trading Regulations and this Code may be reported in confidence to the Chairperson of the Audit Committee of the Company at [protected.disclosure@northernarc.com](mailto:protected.disclosure@northernarc.com) in accordance with the terms of the Whistle-blower Policy.

Any employee who files a Voluntary Information Disclosure Form under Chapter IIIA of the Insider Trading Regulations, irrespective of whether the information is accepted or rejected by the Board or he or she is eligible for a Reward under the Insider Trading Regulations, shall not face discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination, by reason of:

- a. filing a Voluntary Information Disclosure Form under the Insider Trading Regulations;
- b. testifying in, participating in, or otherwise assisting or aiding the Board 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 the Board; 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 the Board in any manner.

*Explanation 1:* For the purpose of this provision, “employee” means any individual who during employment became privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the Insider Trading Regulations and is a director, partner, regular or contractual employee but does not include an advocate.

*Explanation 2:* Nothing in this provision shall require the employee to establish that:

- a. the Board has taken up any enforcement action in furtherance of information provided by such person; or
- b. the information provided fulfils the criteria of being considered as Original Information under the Insider Trading Regulations.

## **9. Disciplinary Actions**

In addition to the sanctions and disciplinary proceedings contemplated under the Code of Conduct of the Company, sanctions and disciplinary proceedings for the contravention of this Code could include wage freeze, clawback, recovery, and suspension.

Any violations of the Insider Trading Regulations shall be disclosed to the Securities and Exchange Board of India promptly.

## **10. Code Review**

This Code may be amended, modified or supplemented from time to time. The Code shall be reviewed every year by the Board of Directors of Northern Arc Capital Limited or whenever there is a significant change in the Code.