

## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS AND IMMEDIATE RELATIVE OF DESIGNATED PERSONS

### 1. PRELIMINARY

1.1 Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of Balmer Lawrie Investments Limited (the 'Company') has formulated the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and immediate relative of Designated Persons (hereinafter called as **the "Code"**).

1.2 The Code shall come into force w.e.f. 15.05.2015<sup>1</sup> and the amendments to the Code, if any, shall be effective from the date on which it is notified from time to time.

### 2. DEFINITIONS AND INTERPRETATION

2.1 The Code has been formulated as per the standards envisaged in Schedule B to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter called as "SEBI Regulations") and the terms or expressions used, unless explicitly defined herein shall have same meaning as defined, interpreted or construed in/for the purpose of the SEBI Regulations. In case of any contradiction the meaning as defined, interpreted or construed in SEBI Regulations shall prevail.

For the sake of convenience and easy reference the following words as defined in the SEBI Regulations are enumerated herein below:

- a) **"Designated Persons"** shall include:
- i. All Employees of the Company (whether permanent, contractual or outsourced resources), including but not limited to:
    - a) All the Directors of the Company, whether executive or non-executive or Independent Directors or Government Nominees or any other category;
    - b) Key Managerial Personnel (KMP) i.e., Chief Executive Officer (CEO), Managing Director (MD), Whole-time Director (WTD), Chief Financial Officer (CFO) and Company Secretary (CS); Employees (whether permanent, contractual or outsourced resources) of the Finance, Internal Audit and Accounts Department of the Company;
    - c) Employees (whether permanent, contractual or outsourced resources) of the Finance, Internal Audit and Accounts Department of the Company;

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<sup>1</sup> Amended vide resolution passed by circulation dated 29<sup>th</sup> March, 2019 w.e.f. 1<sup>st</sup> April, 2019.

- d) Employees (whether permanent, contractual or outsourced resources) of Secretarial Department of the Company;
  - e) All Employees (whether permanent, contractual or outsourced resources) of Taxation, Administrative, Information Technology, Human Resource, Treasury, respective Strategic Business Units, Functional Departments and other departments of the Company.
- ii. Employees (whether permanent, contractual or outsourced resources) of material subsidiaries of the Company, if any;
  - iii. All Promoters of the Company;
  - iv. CEO and Employees upto two level below the CEO of the Company's material subsidiaries, if any;
  - v. Any support staff of the Company, intermediary or fiduciary such as IT staff or secretarial staff who have access to Unpublished Price Sensitive Information;
  - vi. Any other person specified by the Board of Directors from time to time in consultation with the Compliance Officer on the basis of their role and access to Unpublished Price Sensitive Information.
- b) **"Director"** means a director appointed on the Board of Directors of the Company;
- c) **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis; (Information published on the website of a stock exchange, would ordinarily be considered generally available.)
- d) **"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;
- e) **"Insider"** means any person who is:
- a. a connected person; or
  - b. in possession of or having access to Unpublished Price Sensitive Information;
- f) **"Key Managerial Personnel"** or **"KMP"**, in relation to the company shall mean same as defined under Section 2(51) of the Companies Act, 2013 read with Section 203 of the Companies Act, 2013 and allied Rules;
- g) **"Material Financial Relationship"** means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

- h) **“Securities”** shall have the meaning as assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund;
- i) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and **“trade”** shall be construed accordingly;
- j) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading where Securities of the Company are listed;
- k) **“Trading Window”** means trading period when trading in the Company’s Securities is permitted. All days shall be the trading periods except when trading window is closed;
- l) **“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: –
  - (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel.

### 3. APPLICABILITY

This Code shall apply to all Designated Persons and immediate relatives of the Designated Persons.

### 4. OBJECTIVE OF THE CODE

The objective of the Code is to regulate, monitor and report trading by Designated Persons and immediate relatives of the Designated Persons towards achieving compliance with SEBI Regulations.

### 5. COMPLIANCE OFFICER

5.1 The Company Secretary of the Company shall be the Compliance Officer for the purpose of the Code.

5.2 The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of

Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors.

5.3 A record of Designated Employees shall be maintained by Corporate-HR under the overall supervision and control of the Compliance Officer and changes taking place in the list from time to time shall be incorporated therein.

5.4 The Compliance Officer shall provide any clarifications with regard to the implementation of this Code.

5.5 The Compliance Officer shall designate a senior official of the Company to act as Compliance Officer in his/her absence.

5.6 The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors but not less than once in a year.

No Designated Person shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of Unpublished Price Sensitive Information.

## **6. TRADING IN SECURITIES**

6.1 No Designated Person shall trade in Securities of the Company when in possession of Unpublished Price Sensitive Information except otherwise provided under the SEBI Regulations.

Explanation- When a person who has traded in Securities of the Company 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.

Provided that the Designated Person may prove his innocence by demonstrating the circumstances including the following: –

- i. the transaction is an off-market inter-se transfer between Designated Persons who were in possession of the same Unpublished Price Sensitive Information without being in breach of SEBI Regulations and both parties had made a conscious and informed trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained under sub-regulation (3) of regulation 3 of SEBI Regulations.

Provided further that such off-market trades shall be reported by the Designated Persons to the Company within two working days. The Company shall notify the particulars of such trades to the stock exchange on which the securities are listed

within two trading days from receipt of the disclosure or from becoming aware of such information.

- ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the Unpublished Price Sensitive Information;

Provided that such Unpublished Price Sensitive Information was not obtained under sub-regulation (3) of regulation 3 of SEBI Regulations.

- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction;
- iv. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations;
- v. in the case of non-individual insiders: –
  - a. the individuals who were in possession of such Unpublished Price Sensitive Information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such Unpublished Price Sensitive Information when they took the decision to trade; and
  - b. appropriate and adequate arrangements were in place to ensure that SEBI Regulations are not violated and no Unpublished Price Sensitive Information was communicated by the individuals possessing the information, to the individuals taking trading decisions and there is no evidence of such arrangements having been breached.
- vi. the trades were pursuant to a trading plan set up in accordance with clause 9 of this Code.

6.2 The onus of establishment that the Designated Persons were not in possession of Unpublished Price Sensitive Information:

- i. in case of Designated Persons, falling within the definition of 'Connected Person' as defined under SEBI Regulations would be on such Designated Person;
- ii. in other cases, would be on SEBI.

6.3 All information shall be handled within the organisation on a need-to-know basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

6.4 The Designated Persons and their immediate relatives shall execute agreements with the Company to contract confidentiality and non-disclosure obligations on the part of such Designated Persons and their immediate relatives and they shall keep information so received confidential, and shall not otherwise trade in Securities of the Company when in

possession of Unpublished Price Sensitive Information except for the conditions under Regulation 3(3) of SEBI Regulations.

6.5 All Designated Persons and their immediate relatives shall conduct all their trading in the Securities of the Company only in a valid Trading Window and shall not trade in Company's Securities during the periods when Trading Window is closed, subject to the compliance of this Code.

The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information. Such closure shall be imposed in relation to such securities to which such Unpublished Price Sensitive Information relates.

However, trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by Audit Committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

6.6 Designated Persons submitting the Trading Plan shall also adhere to the conditions as stated in clause 9.

## **7. TRADING WINDOW**

7.1 The Trading Window shall be closed till the time the information referred to in clause 7.2 becomes generally available.

7.2 The Trading Window shall be *inter-alia* closed prior to following events:

- a) Board meeting for declaration of financial results;
- b) Board meeting for declaration of interim dividend or final dividend;
- c) Board meeting for change in capital structure like issue of securities by way of public/right/bonus, buy-back etc;
- d) Board Meeting held to approve any mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- e) Board Meeting for change in the Key Managerial Personnel;
- f) Any such other material event (in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as may be deemed fit by the Compliance Officer;

However if the circumstances so warrants the time for closing the window may be increased or decreased with the approval of Compliance Officer and Director.

7.3 The trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

7.4 The time of re-opening of Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

## **8. PRE-CLEARANCE OF TRADES**

8.1 When the Trading Window is open, trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as the Board of Directors may stipulate.

Provided that the threshold as mentioned herein above shall be Rs. 5000 in aggregate during a Financial Year.

8.2 An application shall be made in Form 'PC-I' to the Compliance Officer indicating the estimated number of securities that the Designated Persons intends to trade in, the details as to the depository with which he/she has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.

8.3 All Designated Persons shall execute their order in respect of Securities of the Company within seven trading days after the approval of pre-clearance is given. If the order is not executed within the aforementioned specified period, the Designated Person must pre-clear the transaction again by following the above procedure. The Designated Person shall inform the Compliance Officer about the trades executed in pursuance of the pre-clearance.

8.4 In case the Designated Persons or his/ her immediate relative decides not to execute the trade after securing pre-clearance, he/ she shall inform the Compliance Officer of such decision alongwith reasons thereof immediately.

8.5 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the application for pre-clearance is not in possession of any Unpublished Price Sensitive Information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

8.6 It shall be the responsibility of Designated Persons and their immediate relatives to ensure compliance of clauses 8.1 to 8.5 as mentioned above.

8.7 All Designated Persons who buy or sell any number of Securities of the Company shall not execute a contra trade i.e. sell or buy any number of Securities during the next six months following the prior transaction. This shall not be applicable for trades pursuant to exercise of stock options or trades pursuant to approved trading plans.

8.8 The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the SEBI Regulations.

8.9 Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.

## 9. Trading Plans

9.1 A Designated Person shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his / her behalf in accordance with such plan.

9.2 Such trading plan shall:—

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

9.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the SEBI Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that Trading Window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

**9.4 The trading plan once approved shall be irrevocable and the Designated Person 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.**

Provided that the implementation of the trading plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the Designated Person at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm



that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes generally available information so as to avoid violation of Regulation 4(1) of SEBI Regulations.

9.5 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

## **10. PROCEDURE FOR BRINGING PEOPLE 'INSIDE'**

10.1 A formal intimation shall be given to intimate the employee of the Company or any other person who can be brought 'inside' on sensitive transactions.

10.2 The said intimation can be given via mail or letter or through any other means, whether by physical or electronic means.

10.3 The moment the person brought 'inside' is intimated, they will be automatically be bound by the standards of Code of Fair Disclosure of Unpublished Price Sensitive Information, framed by the Company as well as of this Code.

10.4 Failure on part of the Company to formally intimate such person shall not dilute the responsibilities of the Designated Persons, Connected Persons or Insiders to abide by the provisions of this Code.

10.5 The persons brought 'inside' shall:

- a) Deal with the Unpublished Price Sensitive Information with utmost care;
- b) Ensure that the Unpublished Price Sensitive Information is not divulged in violation of SEBI Regulations and this Code;
- c) Ensure that the confidential information is not leaked out to the general public.

10.6 The Compliance Officer may require the person brought 'inside' to make appropriate disclosure to the Company in order to monitor compliance with the Regulations.

## **11. REPORTING AND DISCLOSURE REQUIREMENTS**

### **11.1 Disclosure Requirements**

#### **Disclosures**

Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:

- a) immediate relatives;
- b) persons with whom such designated person(s) shares a material financial relationship;
- c) Phone, mobile and cell numbers which are used by them.

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

**Initial Disclosures by certain persons**

By Whom to whom	What to be disclosed	When to be disclosed	Form
Promoters, Members of the Promoter group, Key Managerial Personnel and Director shall disclose to the Company	Holding of Securities of the Company as on the date of the amendment in the Regulation taking effect i.e., April 01, 2019.	Within 30 days of SEBI Regulations coming into effect	In the form to be specified by SEBI.
Upon becoming promoter/ or member of the promoter group/ upon appointment as Director/ KMP of the Company	Holding of Securities of the Company as on date of appointment or becoming promoter	Within seven days of such appointment or of becoming promoter	In the form to be specified by SEBI.

**Continual Disclosures**

By Whom	What to be disclosed	When to be disclosed	Form
Promoter and member of promoter group / Director/ Designated Person of the Company	Number of such securities acquired or disposed	Within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakh or such other value as may be specified. <i>*disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.</i>	In form to be specified by SEBI.

Company to Stock Exchange on which its security is listed	Particulars of the trading disclosure received.	Within two trading days of receipt of disclosure or becoming aware of such information.	In form to be specified by SEBI.
		<i>*disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.</i>	

11.2 The Compliance Officer shall maintain records of all the disclosures/ declarations/ undertakings/ forms as mentioned in this clause, as received from time to time, for a period of five years.

## MISCELLANEOUS

### 12. Penalty for Contravention of the Code

12.1 All Designated Persons and who trades in securities or communicates any information for trading in securities in contravention of the Code of Conduct may be penalized and appropriate action may be taken by the Company.

12.2 All Designated Persons who violate this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage, salary freeze, suspension, withholding of promotions, recovery, clawback, etc., by the Company.

12.3 In case it is observed by the Company and/or Compliance Officer that there has been violation of the SEBI Regulations, SEBI shall be promptly informed by the Company.

### 13. Uploading of the Code on the Company's Website

This Code and any amendments thereto shall be available on the website of the Company.

### 14. Compliance with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Any communication, dissemination of Unpublished Price Sensitive Information by Designated Persons shall be disclosed only in adherence to the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" except such communication, dissemination is required statutorily.

**Form PC-I**

**(Application for Pre-clearance - Refer Clause 8.2 of the Code)**

(For use by Designated Persons in case of trading in the Securities of Company)

Date:

To,  
The Compliance Officer,  
Balmer Lawrie Investments Ltd.  
21 N S Road  
Kolkata 700001

Dear Sir,

I am desirous of trading in the below-mentioned securities of Balmer Lawrie Investments Ltd. in my own name or on behalf of my immediate relatives (write name of relative and relationship) and seek your approval as under:

Type of Security	No. of Securities	Market Price (Rs.)	Mode of acquisition Purchase/Sale-physical/Demat/other	Date by which trade is proposed to be executed	Folio No./ DP ID No./Client ID No. alongwith the name of depository	Present Holding (No. of Securities)	
						Physical	Demat
1	2	3	4	5	6	7	8

In relation to the above, I undertake that:

- I have no access to nor am I in possession of any Unpublished Price Sensitive Information at the time of signing this undertaking.
- In case, I get access to or receive any "Unpublished Price Sensitive Information" after signing this application but before the execution of the transaction, I shall inform you of the change in position and shall refrain from trading in securities till such information is made public.
- I have not contravened the Company's "Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and immediate relative of Designated Persons" and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" as notified by the Company from time to time.
- In case the traded value exceeds the threshold of Rs.5000 in aggregate during a Financial Year or any such other value as may be specified, disclosures required under the "Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and immediate relative of Designated Persons" will be immediately furnished by me.
- I have made full and true disclosure in this application.

Signature:

Name:

Designation:

Department:

Place: