

DEEPLOK FINANCIAL SERVICES LIMITED

**CODE OF CONDUCT TO REGULATE, MONITOR
AND REPORT
TRADING BY DESIGNATED PERSONS**

Approved By: Board of Directors

Date: 30th May, 2022

DEEPLOK FINANCIAL SERVICES LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS UNDER THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

A. SHORT TITLE, APPLICABILITY AND COMMENCEMENT:

- (i) This Code of Conduct may be called as 'The Code of Conduct to regulate, monitor and report Trading by Designated Persons' in respect of the equity shares of Deeplok Financial Services Limited ('the Company').
- (ii) This Code shall be applicable to all the Designated Persons and immediate relatives of designated persons of the Company, subsidiaries and associates.
- (iii) This Code of Conduct may be modified by the Board of Directors from time to time to adopt best practices and to comply with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

B. DEFINITIONS:

In this Code, unless the context otherwise provides:

- (i) "Act" means the Securities and Exchange Board of India Act, 1992, as amended from time to time and as applicable for the time being in force.
- (ii) "Board" means the Board of Directors of Deeplok Financial Services Limited.
- (iii) "Code" means this Code of Internal Procedures and Conduct for Prevention of Insider Trading including any modification(s) or amendment(s) made thereto from time-to-time or any replacement made thereof by the Company
- (iv) "Company" means DEEPLOK FINANCIAL SERVICES LIMITED
- (iv) "Compliance Officer" means the Company Secretary or such other person designated as such by the Board, who is financially literate and is capable of appreciating requirements for legal regulatory compliance under SEBI 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the Insider Trading Code of the Company under the overall supervision of the Board of the Company.

For the purpose of this Code, "financially literate" shall mean a person who has the ability to read and understand basic financial statement, i.e., balance sheet, profit and loss account, and statement of cash flows.

(vi) “Connected Person” means

any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- an immediate relative of connected persons specified in clause (i); or
- a holding company or associate company or subsidiary company; or
- an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- an investment company, trustee company, asset management company or an employee or director thereof; or
- an official of a stock exchange or of clearing house or corporation; or
- a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- a banker of the company; or
- a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

(vii) “Designated Employees” means

- All employees in the grade of Senior Vice President, Vice President, Assistant Vice President and General Manager of the Company and its material subsidiaries,
- Functional Heads of each Business Unit, each Manufacturing Unit and Corporate Human Resources of the Company and its material subsidiaries,
- All Employees in the Departments of Corporate Finance, Corporate Secretarial and Corporate Legal functions of the Company and its material subsidiaries
- All Executive Assistants (EAs) and Personal Assistants (PAs) of the Executive Directors, Senior Vice Presidents, Vice Presidents and the Functional Heads. of the Company and its material subsidiaries

- Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company and its material subsidiaries.

The aforesaid definition of 'Designated Employees' shall also include any employee of the Company and its material subsidiaries who is reasonably expected to have access to or could access Unpublished Price Sensitive Information of the Company by virtue of any connection that would put them in position to access the same.

(viii) "Designated Persons" means any person who is either:

- Designated Employee
- All Promoters of the Company
- Connected Person
- Any other employee who will have access to or possess Unpublished Price Sensitive Information.

Note 1 : Depending on the change in the scope of responsibility of an employee, the Compliance Officer with the approval of the Managing Director of the Company may exclude or include any employee from the list of Designated Person.

Note 2 : In case any Designated Person separates from the services of the Company due to superannuation/ resignation/termination etc. he/she shall continue to be considered as a Designated Person for a further period of 6 (six) months subsequent to the date of his/her separation from the Company as envisaged under the Regulations.

Note 3 : "Material Subsidiary" shall have the same meaning as defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

(ix) "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis.

(x) "Immediate Relative" means Spouse, parents, sibling, children who is either financially dependent on the Designated Persons/ Connected Persons or consults such person for dealing in the securities.

(xi) "Insider" means any person who is:

- a connected person; or
- in possession of or having access to unpublished price sensitive information;

(xii) "Insider Trading" shall have the same meaning as mentioned in Explanation (a) to Section 195 of the Companies Act, 2013 and Rules framed there under, which presently reads as under:

"insider trading means –

- (i) *an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other*

officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of the company; or

(ii) *an act of counseling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person.*”

(xiii) “Price Sensitive Information” shall have the same meaning as mentioned in Explanation (b) to Section 195 of the Companies Act, 2013 and Rules framed there under, which presently reads as under:

“price sensitive information” means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.”

(xiv) “Promoter” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

(xv) “promoter group” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

(xvi) “Regulations” means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendment made thereof.

(xvii) “SEBI” means the Securities and Exchange Board of India

(xviii) “Securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

(xix) “Specified” means specified by the Securities & Exchange Board of India in writing;

(xx) “Trading” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly ;

(xxi) “Trading day” means a day on which the recognized stock exchanges are open for trading;

(xxii) “**Trading Plan**” is a plan formulated by an Insider and presented to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on behalf of the Insider in accordance with such plan as per Clause 5(1) of the SEBI Regulations.

(xxiii) “Trading Window” means a period to be specified by the Company in which trading of securities can be done by the Directors, Key Managerial Personnel and Designated Employees either directly or through their Dependents or Relatives.

(xxiv) "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:

- a) financial results;
- b) dividends;
- c) issue of securities of the Company or buy-back of Securities by the Company or any type of change in capital structure of the Company;
- d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions
- e) Any significant changes in policies, plans or operations of the Company;
- f) Any proposed joint ventures / foreign collaboration
- g) changes in key managerial personnel; and

All capitalized terms used in this Code but not defined herein shall have the meanings assigned to them under the Regulations, Act, the Companies Act, 2013 as the case may be.

C. POLICY :

1. No Designated Persons and immediate relatives of designated persons - when in possession of any unpublished price sensitive information about, or in relation to the Company or any of its securities - shall:
 - Trade or have dealings in the securities of the Company, either on his/her behalf or on behalf of any other person;
 - Communicate, provide or allow access to, or counsel, directly or indirectly, any unpublished information relating to the Company or any of its securities, to any other person, except on a need to know basis in furtherance of legitimate purposes in relation to the Company.
2. All designated Persons and their Immediate Relatives shall conduct their trading in the securities of the Company only during or in a valid trading window strictly in compliance with this Code
3. 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.

D. ROLE OF THE COMPLIANCE OFFICER

- The Compliance Officer shall report to the Board of Directors of the Company and shall provide reports on compliances of the SEBI (Prohibition of Insider Trading) Regulations, 2015 to the Chairman of the Audit Committee. The Reports shall be submitted to the Chairman of the Audit Committee at every quarterly meeting of the Committee.

- The Compliance Officer shall provide clarifications sought for under the SEBI (Prohibition of Insider Trading) Regulations, 2015 to all concerned, to the extent possible.
- The Compliance Officer shall preserve the disclosures received and submitted to the Stock Exchanges concerned for a minimum period of five years.

E. TRADING WINDOW

- All designated persons shall deal in the equity shares of the Company only when the trading window is open. Designated Persons or immediate relatives of the designated persons shall not deal in equity shares of the Company when the Trading Window is closed. It is the duty of the Designated Persons to inform their immediate relatives the closure of Trading Window and ensure that they do not deal in the equity shares of the Company.
- The Trading Window shall remain closed during the following periods:

From the end of every quarter till 48 hours after the declaration of financial results.

From the fifteenth day prior to the date of the Board Meeting up to 48 hours after the date of the Board meeting where the proposal on any matter, which has a bearing on the price of the equity shares of the Company, is considered and the same becomes generally available information.

- In addition to the above, the Trading Window may be closed when the Compliance Officer determines that a Designated/Connected Person, or a class of Designated /Connected Persons are reasonably expected to be in possession of Unpublished Price Sensitive Information. The time for re-opening of the Trading Window shall be determined by the Compliance Officer after analyzing various factors including the fact that the Unpublished Price Sensitive Information has become accessible to the public on a non-discriminatory basis and being capable of assimilation by the market and such time for re-opening of the Trading Window shall not be in any event earlier than 48 (forty eight) hours after the Unpublished Price Sensitive Information has become accessible to the public on a non-discriminatory basis.
- The Compliance officer will notify the Designated Persons and other persons, as applicable about closure and opening of Trading Window and also inform the Stock Exchanges simultaneously.
- The gap between clearance of financial results by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- The Trading Window to deal in equity shares of the Company shall also be applicable to any other person as may be specified by the Company.

F. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

1. No Insider shall communicate, provide or allow access to any Unpublished Price Sensitive Information in respect of the Equity Shares of the Company to any person including other Insiders, except where such communication is in furtherance of legitimate purposes, performance of duties of legal obligations.

However, the “Code of Practices and Procedures for fair disclosure of unpublished price sensitive information” and the Policy for determination of “Legitimate Purposes” as enumerated therein need to be adhered.

2. An Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
 - entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the company is of informed opinion that the proposed transaction is in the best interests of the Company;
 - not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine.

G. “CHINESE WALL” PROCEDURE

- To prevent the misuse of confidential information, the Company shall adopt the “Chinese Wall” policy which separates those areas of the functions which routinely have access to confidential information, considered “inside areas” from those areas which deal with sale/marketing/investment advice or other departments providing support services, considered “public areas”.
- The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area. The employees in inside area may be physically segregated from employees in public area.
- In exceptional circumstances, employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the compliance officer.

H. TRADING IN EQUITY SHARES BY DESIGNATED PERSONS:

The Designated Persons may trade in equity shares of the Company subject to compliance of the following procedure:

- The Designated Person (DP) may be of two types - (i) who possesses any Unpublished Price Sensitive Information and (ii) who doesn't have any Unpublished Price Sensitive Information. The DP who is in possession of any Unpublished Price

Sensitive Information is prohibited from trading. In the event of DP not possessing any Unpublished Price Sensitive Information, trading is permitted. However, the DP shall require a pre-clearance from the Compliance Officer in case the quantum of trade exceeds Rs.10,00,000/- (Rupees Ten Lac only). The DP may submit a Trading Plan to the Compliance Officer in compliance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and upon approval thereof may execute the trade within seven trading days from the date of receipt of such approval. However, pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

- The DP has to make an application to the Compliance officer asking for a pre-clearance, once received the Compliance officer needs to grant permission within two trading days.
- The DP has to inform the Company about his/her transaction after receiving the pre-clearance approval within three days of execution of transaction. In case the DP doesn't trade he/she has to submit a NIL report stating reasons as to why no transaction was executed.
- The DP can also trade without taking a pre-clearance from the Compliance Officer in case the trade value is below Rs.,10,00,000/-, but no contra trade shall be allowed in six months of the prior transaction.

However, trading window norms and restriction on contra trade shall not be applicable for trades carries-out in accordance with an approved trading plan.

- In the event a DP executes a contra trade as described hereinabove, inadvertently or otherwise, in violation of the restriction specified in this Code, the profits from such a Trade shall be liable to be disgorged for remittance to SEBI for credit to Investor Protection and Education Fund administered by SEBI under the Act.

However, this shall not be applicable for trades pursuant to exercise of stock options.

- Specimen copies of Pre-Clearance Application form and the format of Undertaking to be submitted by the DP are attached as **Annexure 1** and **Annexure 2**, respectively. Specimen copy of Disclosure of transaction, which needs to be furnished to the Compliance Officer within three trading days from the date of transaction, is attached as **Annexure 3**.

I. TRADING PLANS

- A Designated Person or an Insider shall be entitled to formulate a 'Trading Plan' and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- Such Trading Plan shall:

- (i) not entail commencement of trading 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 issuer of the securities 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.
- The Compliance Officer will review the Trading Plan to assess whether the Plan would have any potential for violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Compliance Officer will 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.
 - The Compliance Officer will endeavor to approve the trading plan within seven working days of receipt of the trading plan together with necessary undertakings and declarations.
 - 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.
 - Implementation of the Trading Plan shall not be commenced if any unpublished price sensitive information in possession of the designated person / insider 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 a violation of the Act.
 - Upon approval of the Trading Plan, the Compliance Officer will notify the plan to the Stock Exchanges on which the equity shares of the Company are listed.

J. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

1. Continual Disclosure

Every Promoter or member of the promoter group, employee and Director of the Company shall disclose to the Company the number of equity shares acquired or disposed of within two trading days of such transaction if the value of the equity shares traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.1,000,000/- (Rupees

Ten lac only) in the prescribed Form (**Form C**).

The disclosure shall be made within two trading days of:

- a. the receipt of intimation of allotment of shares, or
- b. the acquisition or sale of shares or voting rights, as the case may be.

2. Disclosures by other connected persons

The Company at its discretion may require any other connected person or class of connected persons to make disclosures of his holding and trading in equity shares of the Company in the prescribed Form (**Form D**) and at such frequency as determined by the Company.

3. Compliance

The Compliance Officer shall report adherence to the provisions of this code 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 regular intervals but not less than once in a year.

K. OTHER DISCLOSURES

1 Designated persons shall disclose name and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis (by 30th April every year) 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 or other contact details which are used by the

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

Note: The term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift 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.

L INSTIUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

1 The Compliance Officer in consultation with the Managing Director of the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

2 The internal controls shall include, *inter alia*, the following :

- a. Identification of the designated employees from time-to-time who may have the unpublished price sensitive information.
- b. Identification of unpublished price sensitive information from time-to-time and maintenance of its confidentiality.
- c. Placement of adequate restrictions on communication or procurement of unpublished price sensitive information.
- d. Maintenance of structured digital database containing the names of such persons or entities as the case may be with whom unpublished price sensitive information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- e. Execution of confidentiality or non-disclosure agreements with all the persons with whom unpublished price sensitive information has been shared.
- f. Process review at regular intervals to evaluate effectiveness of such internal controls.

3 The Board shall ensure the compliance of the provisions of the Code by the Compliance Officer from time to time.

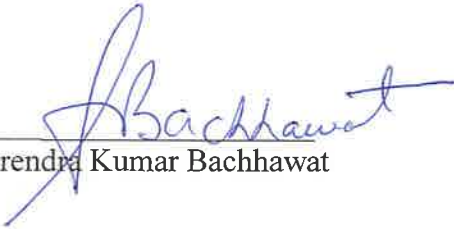
4 The Audit Committee of the Company shall review compliance with the provisions of this Code at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.


M. VIOLATION OF THE CODE OF CONDUCT

- i. Contravention of the Code of Conduct would attract disciplinary actions including wage freeze, suspension, recovery and clawback etc., as may be imposed and decided by the Chairman of the Audit Committee.
- ii. It is the duty of the Compliance Officer to keep the Board informed regarding any non-compliance of this code of conduct.


N. CLARIFICATIONS:

For all queries concerning this Code, any employee or connected person may contact the Compliance Officer in this regard.


Surendra Kumar Bachhawat


Mahendra Kumar Bachhawat


Hemraj Kathotia


Prakash Bachhawat
