

SAVANI FINANCIALS LIMITED

CODE OF CONDUCT AND INTERNAL PROCEDURES FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

1. Introduction

- 1.1. The object of this code is to formulate an internal code of conduct to regulate, monitor and report trading by the Company's employees and other connected persons in terms of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B appended thereto.

2. Definitions

- 2.1 "Act" means the Securities and Exchange Board of India Act, 1992.
- 2.2 "Board" means the Board of Directors of the Company.
- 2.3 "Code" or "Code of Conduct" shall mean this Code of Conduct and Internal Procedures for Regulating, Monitoring and Reporting of trading by insiders of the Company, as amended from time to time.
- 2.4 "Company" means SAVANI FINANCIALS LIMITED.
- 2.5 "Compliance Officer" means Company Secretary or such other 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 these 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes under the overall supervision of the Board of Directors of the Company.
- 2.6 "Connected Person" shall have the meaning assigned to it under Regulation 2(d) of the Regulations and shall also include the Directors and Key Managerial Personnel of the Company.
- 2.7 "Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company.
- 2.8 "Designated Person" shall include:
- (a) Employees in the category of Senior Manager and above.
 - (b) Such other employees or Connected Persons (including representatives of the auditors, law firms) identified by the Compliance Officer as Designated Persons in consultation with the Board of Directors, based on their functional role in the Company.
- 2.9 "Director" means a member of the Board of Directors of the Company.

- 2.10 **“Employee”** means every employee of the Company.
- 2.11 **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis.
- 2.12 **“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.
- 2.13 **“Insider”** means any person in relation to the Company, who is in possession of or having access to Unpublished Price Sensitive Information and will include the following persons:
- (i) Promoters, Directors and Key Managerial Personnel and their immediate relatives
 - (ii) Designated Persons
 - (iii) Connected Persons
- 2.14 **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013.
- 2.15 **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- 2.16 **“Regulations”** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 2.17 **“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;
- 2.18 **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 2.19 **“Trading in Securities”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities of the Company, and "trade" shall be construed accordingly.
- 2.20 **“Trading Day”** means a day on which the recognized stock exchanges are open for trading;
- 2.21 **“Unpublished Price Sensitive Information”** means any information, relating to the Company or its Securities listed or proposed to be listed, 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 (quarterly or annual)

- (ii) Intended declaration of dividend (interim or final)
- (iii) Change in capital structure including Public/ Rights Issue/ Issue of Bonus Shares/ Voting Rights
- (iv) Any major diversification, expansion or disposal plan
- (v) Amalgamation, merger, demerger, acquisition
- (vi) Disposal of the whole or substantial part of the undertaking
- (vii) Changes in Key Managerial Personnel
- (viii) Such other information as may materially affect the earnings
- (ix) Material events in accordance with the Listing Agreement
- (x) Any changes in policies, plans or operations of the Company that would have a material impact on the capital structure of the Company
- (xi) Intimation of Allotment of Shares
- (xii) Delisting of securities

Words and expressions used and not defined in these regulations but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation. In the event two or more statutory enactments provide definitions for certain words and expressions, the definitions provided in the Regulations (if such word is defined therein) shall prevail.

3. Compliance Officer:

- 3.1. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Unpublished Price Sensitive Information”, pre-clearing of trades of Designated Persons, monitoring of trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company.
- 3.2. The Compliance Officer shall maintain a record of the Designated Persons and any changes made in the list of Designated Persons.
- 3.3. The Compliance Officer shall assist Designated Persons and/ or all Employees in addressing any clarifications regarding the Regulations and this Code.
- 3.4. The Compliance Officer shall report on the compliance and implementation of the Regulations and the Code to the Board and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board as and when directed by the Board or Audit Committee.
- 3.5. The Compliance Offer shall confidentially maintain a list of such Securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

4. Preservation of Unpublished Price Sensitive Information

- 4.1 Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. Designated Persons shall not communicate, provide or allow access to any Unpublished Price Sensitive Information except where such

communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.2 Unpublished Price Sensitive Information is to be handled on a “need to know” basis i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.

4.3 The Company shall ensure that all files including soft copies containing Unpublished Price Sensitive Information are kept secure, such that such information can only be accessed by persons who “need to know” such information. All Designated Persons that get access to Unpublished Price Sensitive Information shall also ensure that all files including soft copies containing Unpublished Price Sensitive Information are kept secure.

5. **Prevention of misuse of Unpublished Price Sensitive Information**

5.1. Designated Persons may deal in Securities subject to compliance with the Regulations and this Code.

5.2. Trading window

5.2.1. The Company through the Compliance Officer shall specify a trading period, to be called "Trading Window", for trading in Securities. 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.

5.2.2. Without prejudice to the generality of paragraph 5.2.1. of this Code, the “Trading Window” with respect to the Company’s Securities shall be closed at the time of:-

- (a) Declaration of Financial results (quarterly, half-yearly and annual)
- (b) Declaration of dividends (interim and final)
- (c) Issue of Securities by way of public / rights / bonus etc. or any change in capital structure.
- (d) Amalgamation, demergers, mergers, takeovers, acquisitions, delistings, disposal of substantial assets, expansion of business, buy-back and other such transactions;
- (e) Changes in Key Managerial Personnel
- (f) Disposal of whole or substantially whole of the undertaking
- (g) Material events in accordance with the listing agreement.

5.2.3. (i) 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.

(ii) In other cases mentioned in para 5.2.2, from the date of decision of the Board of Directors of the Company.

(iii) Any other period that the Compliance Officer may specify from time to time at his sole discretion.

The Trading Window shall be opened 48 hours after the information referred to above become generally available.

- 5.2.4. Designated Persons and to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising the Company shall conduct all their dealings in the Securities of the Company only when the trading window is open and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when trading window is closed.
- 5.3. Pre clearance of trades
- 5.3.1. Designated Persons who intend to deal in the Company's Securities during the period other than the restricted / blackout period and who do not hold any Unpublished Price Sensitive Information at the time of seeking pre clearance and where such Securities that have been held for minimum period of six months or have not entered into an opposite transaction during last six months shall obtain a prior permission from the Compliance Officer by making an application in the prescribed form for dealing in Securities. However, no pre clearance would be required, if the traded value of such Securities does not exceed Rs. 10,00,000/- in a financial year.
- 5.3.2. In case of dealing by the Compliance Officer, prior permission from Managing Director and in case of Managing Director from a Director of the Company shall be obtained.
- 5.3.3. Transaction for which permission is taken shall be carried out within 7 days after the approval, otherwise, fresh permission would be required.
- 5.3.4. The employee / Connected Person shall disclose within two trading days the trade undertaken to the Compliance Officer.
- 5.4 All Designated Persons who buy or sell any number of Securities shall not enter into an opposite transaction i.e. sell or buy any number of Securities during the next six months following the prior transaction (“**Restricted Period**”). All Designated Persons shall also not take positions in derivative transactions in the Securities at any time. In case of any 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 the Securities and Exchange Board of India (SEBI) for credit to the Investor Education and Protection Fund administered by SEBI under the Act. The Compliance Officer may waive off the holding period in case of sale of Securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading Window is closed. Ordinarily, the restrictions imposed by this Clause 5.4 shall not be applicable in any of the following instances:-
- (a) the Securities are purchased by exercise of stock options under the Employee Stock Option Scheme/s of the Company in force and thereafter sold within the Restricted Period; or

- (b) the Securities are sold and thereafter Securities are purchased by exercise of stock options under the Employee Stock Option Scheme/s of the Company in force within the Restricted Period.

5.5. Trading Plan

5.5.1. A Designated Person or any Insider is entitled to formulate a Trading Plan for dealing in Securities of the Company 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.

5.5.2. Trading Plan shall:

- (a) not entail commencement of trading on behalf of the Designated Person or Insider earlier than six months from the public disclosure of the plan;
- (b) 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;
- (c) entail trading for a period of not less than twelve months;
- (d) not entail overlap of any period for which another trading plan is already in existence;
- (e) 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
- (f) not entail trading in Securities for market abuse.

5.5.3. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the Plan as per provisions of the Regulations.

5.5.4. The Trading Plan once approved shall be irrevocable and the Designated Person and/or 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. However, the implementation of the Trading Plan shall not commence, if at the time of formulation of the Plan, the Designated Person and/or Insider is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information. Further, the Designated Person and/or Insider shall also not be allowed to deal in Securities of the Company, if the date of trading in Securities of the Company, as per the approved Trading Plan,

coincides with the date of closure of Trading Window announced by the Compliance Officer.

5.5.5. Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

5.5.6. No Insider shall trade in securities when in possession of Unpublished Price Sensitive Information

6. Reporting Requirements for transactions in Securities

6.1. Initial Disclosure

6.1.1. Every Promoter, Key Managerial Personnel and Director of the Company shall disclose his/her holding of Securities of the Company as on the date of these regulations taking effect, to the Company within thirty days of the Regulations taking effect.

6.1.2. Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a Promoter.

6.2. Continual Disclosure

6.2.1. Every Promoter, Employee and Director of the Company shall disclose to the Company, the number of such Securities of the Company acquired or disposed of 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. 10,00,000/- (Rupees Ten Lacs). The disclosure shall be made within two trading days of:

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

6.3. Disclosure by the Company to the Stock Exchange(s)

6.3.1. Within 2 trading days of the receipt of intimation under Clause 6.2, the Company shall disclose to all Stock Exchanges on which the Company is listed, the information received.

6.3.2. The Compliance officer shall maintain records of all the disclosures/ declarations in the appropriate form given by the Promoter, Key Managerial Personnel, Employee and Director for a minimum period of five years.

7. Penalty for contravention of code of conduct

- 7.1. Any employee/ director 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.
- 7.2. Employees/ directors of the Company who violate the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- 7.3. Designated Persons shall bring to the attention of the Compliance Officer and the Board any violation of the Regulations or this Code whether committed by such Designated Person or any other person.
- 7.4. The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

8. Modification of the Code

- 8.1 The Board of Directors has the right to change/ amend this Code from time to time at its discretion.

NOTE : The relevant Forms for disclosures, pre-clearance, etc. are annexed hereto.