

# CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

[Pursuant to SEBI (Prohibition of Insider Trading), 2015]

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## Document Control

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### A. Revision History

Version	Date of issue	Reason for change
1	25 / 03 / 2018	Code adopted
2	05 / 09 / 2018	Code Amended – Change in definition
3	03 / 04 / 2019	Changes in Clauses as per Amended Regulation
4	14 / 08 / 2020	Changes in Clauses as per Amended Regulation
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6.		
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## INTRODUCTION

Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Regulations”), inter alia, states that the Board of directors of every listed company and the Board of Directors or head(s) of the organisation of every intermediary shall ensure that the Chief Executive Officer or Managing Director shall formulate a Code of Conduct to regulate, monitor and report trading by its designated persons and their immediate relatives towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to said regulations, without diluting the provisions of these regulations in any manner.

Further, Regulation 9(3) mandates that every listed company, intermediary and other persons formulating a Code of Conduct shall identify and designate a Compliance Officer to administer the Code of Conduct and other requirements under said regulations.

In compliance of above requirements, the Company has adopted this Code of Conduct for Prevention of Insider Trading for the listed securities of the Company.

The Code is applicable to all Designated Persons (defined below), Immediate Relatives (defined below) of Designated Persons and other connected persons.

The purpose of the Code is to maintain an ethical and transparent process while dealing in the Securities (defined below) of the Company by the persons specified above.

This Code is adopted in place of the existing “Code of Conduct for Prevention of Insider Trading”.

### 1. DEFINITIONS AND INTERPRETATIONS

- 1.1 **Act:** Act means the Securities and Exchange Board of India Act, 1992;
- 1.2 **Board or Board of Directors:** Board or Board of Directors means the Board of Directors of the Company;
- 1.3 **Company:** Company means Varroc Engineering Limited;
- 1.4 **Compliance Officer:** Compliance Officer means the Company Secretary of the Company or any 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 the Insider Trading 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 this Code as required under the Insider Trading Regulations under the overall supervision of the board of directors of the Company;

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

- 1.5 **Code:** Code means this Code of Conduct to regulate, monitor and report trading by insiders and shall include modifications made thereto from time to time;
- 1.6 **Connected Person:** Connected Person means:
  - (i) any person who is or has during the six months prior to the concerned act been associated with the 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.

- (ii) 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: -
- (a) an Immediate Relative of connected persons specified in clause (i); or
  - (b) a holding company or associate company or subsidiary company; or
  - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
  - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
  - (e) an official of a stock exchange or of clearing house or corporation; or
  - (f) 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
  - (g) 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
  - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - (i) a banker of the company; or
  - (j) 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;

1.7 **Designated Person:** Designated Person shall mean the following:

- (i) Promoter(s) & Promoter Group(s) and their Immediate Relatives;
- (ii) Directors of the Company and its material subsidiaries;
- (iii) Key Managerial Personnel of the Company and its material subsidiaries;
- (iv) every employee in the grade of M-07 (AVP) and above and its material subsidiaries;
- (v) every employee in the finance, accounts, secretarial, MIS and legal departments, employees in support functions and other employees as may be determined and informed by the Compliance Officer;
- (vi) Permanent invitees to the meetings of the Board of Directors of the Company and committees of the Board of Directors of the Company (if any); and
- (vii) Such other person(s) as may be notified by the Compliance Officer from time to time based on their role in the Company and their access to Unpublished Price Sensitive Information.
- (viii) In addition, the Compliance Officer, in consultation with the Board (or any committee authorized by the Board) will finalise the broad categories or individuals to be covered as Designated Persons under the Code. The Compliance Officer shall specifically communicate to such Designated Persons about applicability of the Code.

1.8 **Director:** Director means a member of the Board;

- 1.9 **Employee:** Employee means every employee of the Company including the Directors in the employment of the Company;
- 1.10 **Generally Available Information:** 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;
- 1.11 **Immediate Relative:** 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;
- 1.12 **Insider:** Insider means any person who is:
- (i) a Connected Person; or
  - (ii) in possession of or having access to Unpublished Price Sensitive Information; or
- 1.13 any person who is in receipt of Unpublished Price Sensitive Information pursuant to a “legitimate purpose”.
- 1.14 **Insider Trading Regulations:** Insider Trading Regulations means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- 1.15 **Key Managerial Personnel:** Key Managerial Personnel means Chairman and Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and such other person who may be designated as Key Managerial Person under applicable law from time to time;
- 1.16 **Leak of UPSI** shall refer to such act / circumstance(s) by virtue of which an UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.
- Explanation: It covers the instances where the UPSI has been shared by a person to any person, association, body, firm, agency, society, entity or to a group thereof except in compliance with applicable law.
- 1.17 **Promoter:** 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;
- 1.18 **Promoter Group:** 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;
- 1.19 **SEBI:** SEBI means Securities and Exchange Board of India;
- 1.20 **Securities:** Securities shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof;
- 1.21 **Takeover Regulations:** Takeover Regulations means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

- 1.22 **Trading:** Trading means and includes subscribing, redeeming, switching, buying, selling, pledging, dealing, or agreeing to subscribe, redeem, switch, buy, sell, pledge, deal in any securities, and “Trade”, “Traded” shall be construed accordingly;
- 1.23 **Trading Day:** Trading Day means a day on which the recognized stock exchanges are open for trading;
- 1.24 **Trading Window:** Trading Window means a trading period for trading in the Securities of the Company as specified by the Company from time to time; and
- 1.25 **Unpublished Price Sensitive Information or UPSI:** Unpublished Price Sensitive Information means any information, relating to the 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; and
  - (v) changes in key managerial personnel.

Words and expressions used and not defined in this Code, but defined in the Act, Regulations, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in such legislations.

## **2. COMPLIANCE OFFICER**

- 2.1 Subject to the supervision of the Board of Directors, the Compliance Officer, shall be responsible for:
- (i) Setting forth policies, procedures, monitoring adherence to the Code and Insider Trading Regulations for the preservation of Unpublished Price Sensitive Information, approval and review of trading plans, pre-clearance of Trades and monitoring of Trades and implementation of this Code.
  - (ii) Assisting all insiders, Designated Persons, and employees in addressing any clarifications regarding the insider trading regulations and this Code.
  - (iii) Obtaining disclosures from insiders and Designated Persons and to give information, in respect of the disclosures received, to all the stock exchanges where the Securities are listed, as applicable.
  - (iv) Maintaining and preserving all disclosures/undertakings and applications made under this Code.
  - (v) Regulating and monitoring the Trading Window of the Securities of the Company.
  - (vi) Advising all Designated Persons not to trade in Securities of the Company when the Trading Window is closed.
  - (vii) Investigating any Designated Person in relation to the Trading of Securities and handling of Unpublished Price Sensitive Information of the Company.

(viii) Informing stock exchange/SEBI in case it is observed that there has been a violation of this Code.

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

### **3. RESTRICTIONS ON COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

3.1 No Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to the Company or Securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

3.2 No person shall procure from or cause the communication by any Insider of Unpublished Price Sensitive Information, relating to the Company or Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Explanation – The term “legitimate purpose” shall include but not be limited to sharing of Unpublished Price Sensitive Information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of this Code or the Insider Trading Regulations.

Any person in receipt of Unpublished Price Sensitive Information pursuant to a “legitimate purpose” shall be considered an “Insider” for purposes of this policy and due notice shall be given to such persons to maintain confidentiality of such Unpublished price sensitive information in compliance with this Code.

3.3 Notwithstanding anything contained in this Code, any Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:—

(i) entail an obligation to make an open offer under the Takeover Regulations where the Board of Directors of the Company are of the informed opinion that sharing of such information is in the best interests of the Company;

(ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors are of the informed opinion that sharing of such information is in the best interests of the Company and the information that constitutes Unpublished Price Sensitive Information is disseminated to be made Generally Available Information at least 2 (two) Trading Days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

3.4 For purposes of sub-clause 4.3 above, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-clause 4.3, and shall not otherwise Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

- 3.5 The Board of Directors shall ensure that a structured digital database is maintained 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 or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- 3.6 Every Designated Person or his/her Immediate Relative who is in receipt of UPSI regarding the Company or its Securities pursuant to legitimate purpose or on a need-to-know basis or in any other manner as provided in this Code or the Insider Trading Regulations, are required to provide the details including, their name, PAN and such other details as may be required to maintain Company's digital database.

#### **4. RESTRICTION ON TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- 5.2 Save as provided in this Code and the Insider Trading Regulations, no Insider shall Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

Explanation –When a person who has Traded in Securities has been in possession of Unpublished Price Sensitive Information, his/her Trades would be presumed to have been motivated by the knowledge and awareness of such information in his/her possession.

Provided that the Insider may prove his/her innocence by demonstrating the circumstances including the following: –

- (i) That the transaction is an off-market *inter-se* transfer between Insiders who were in possession of the same Unpublished Price Sensitive Information without being in breach of clause 4 and both parties had made a conscious and informed Trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained under Clause 4.3 of this Code.

Provided further that such off-market Trades shall be reported by the Insiders to the Company within 2 (two) working days. The Company shall notify the particulars of such Trades to the stock exchange on which the Securities are listed within 2 (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 without being in breach of Clause 4 above and both parties had made a conscious and informed Trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained by either person under Clause 4.3 of this Code.

- (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) that 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) that appropriate and adequate arrangements were in place to ensure that the Insider Trading 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 as set out in this Code.

5.3 Insiders shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall, while in possession of any Unpublished Price Sensitive Information, neither Trade in the Securities of the Company on the basis of Unpublished Price Sensitive Information nor pass on such information to any person directly or indirectly by way of making a recommendation for Trading in Securities of the Company.

5.4 In the case of Connected Persons the onus of establishing, that they were not in possession of Unpublished Price Sensitive Information, shall be on such Connected Persons.

## **6 PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **A. TRADING PLAN**

6.1 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. The intimation on formulation of the trading plan may be given to the Compliance Officer in the format specified in **Annexure A** hereto. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

6.2 Such trading plan shall:

6.2.1 not entail commencement of Trading on behalf of the Insider earlier than six months from the public disclosure of the trading plan;

6.2.2 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;

6.2.3 not entail Trading for a period of less than 12 months;

6.2.4 not entail overlap of any period for which another trading plan is already in existence;

6.2.5 either set out 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;

- 6.2.6 not entail Trading in securities for market abuse; and
- 6.2.7 mandatorily implement the plan without being entitled to either deviate from it or execute any Trade outside the scope of the trading plan. Thus, the trading plan, once published, shall be irrevocable. Provided that the Insider shall not commence Trading under trading plan, if any UPSI in his/her possession at the time of formulation of the plan has not become Generally Available Information at the time of commencement of the implementation of trading plan. In such cases, the Compliance Officer will confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information.

The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the SEBI Regulation and/or this Code 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.

- 6.3 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

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.

## **B. TRADING WINDOW**

- 6.4 All Designated Persons shall execute Trades in the Securities of the Company only in a valid trading period called Trading Window prescribed hereunder and shall not execute any Trade or deal in any transaction involving the purchase or sale of the Company's Securities in their own name or in the name of their Immediate Relatives during the period when the Trading Window is closed or any other period as may be specified by the Company from time to time.
- 6.5 The Trading Window for Trading in Securities of the Company shall be closed for the following purposes:
- (i) Declaration of financial results (quarterly and annual), standalone and consolidated, of the Company;
  - (ii) Intended declaration of dividends (both interim and final);
  - (iii) Issue of securities by way of public, bonus, rights issue etc. or buy-back of Securities and changes in capital structure;
  - (iv) Change in Key Managerial Personnel;
  - (v) Mergers, demergers, amalgamations, acquisitions, delisting, disposals, expansion of business and such other transactions; and
  - (vi) Material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6.6 In addition to the items specified above, the Trading Window shall also 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.

- 6.7 In case of declaration of financial results, the Trading Window shall be closed during the period beginning from the first day of any financial period for which results are required to be announced and ending 48 (forty eight) hours after the public release of such results. In all other circumstances, the time for commencement of closing of Trading Window shall be as determined by the Compliance Officer. The gap between clearance of accounts by the Audit Committee and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- 6.8 The Compliance Officer after taking into account various factors including the Unpublished Price Sensitive Information in question becoming Generally Available Information and being capable of assimilation by the market, shall decide the timing for re-opening of the Trading Window, which however shall not in any event be earlier than 48 hours after the information becoming Generally Available Information.
- 6.9 Trading Window may be closed by the Company during such time in addition to the above period, as may be deemed fit by the Compliance Officer.
- 6.10 The notice of closure of the Trading Window intimated to the stock exchanges, if any, wherever the Securities of the Company are listed.
- 6.11 The trading window restriction shall not apply for below cases;
- i) off-market *inter-se* transfer between insiders who were in possession of the same UPSI without violating the Code and both parties had made a conscious and informed trade decision.
  - ii) transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without violating the Code and both parties had made a conscious and informed trade decision
  - iii) transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
  - iv) transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
  - v) trades executed as per the trading plan set up in accordance with the Code.
  - vi) Pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer.
  - vii) Transactions undertaken in accordance with respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer, or transactions which are undertaken through such other mechanism as may be specified by the Board time to time.

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

- 6.12 During a valid Trading Window, Trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed Trade is above the

threshold limit specified in sub-clause 6.15 below.

6.13 Designated Persons intending to deal in the Securities of the Company upto the threshold limit specified in sub-clause 6.14 below, may do so without any pre-clearance from the Compliance Officer. In all other cases, they should pre-clear the transactions as per the pre-dealing procedure as provided hereinafter.

6.14 **Procedure for Pre-Clearance of Trades**

An application for pre-clearance of Trade shall be made to the Compliance Officer in the format attached as **Annexure B** hereto, indicating the estimated number of Securities that the Designated Person making such application intends to deal in, the details as to the depository with which he/she has a security account and such other details as may be required by the Compliance Officer in this regard.

(i) Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

(ii) In case of the Compliance Officer intends to deal in the securities of the Company beyond the threshold limit specified in sub-clause 6.16 below, the pre-clearance of the Managing Director or in his absence, the Chairman of the Board, will have to be obtained.

(iii) An undertaking in the format set out in **Annexure C** of this Code, shall be executed in favour of the Company by such persons applying for pre-clearance.

(iv) The Compliance Officer shall on receiving an application, provide the Designated Persons with an acknowledgement on the duplicate of the application or in any electronic form.

(v) The Compliance Officer shall grant approval, in the format set out in **Annexure D**, within 2 days from the date of acknowledgement.

(vi) The Compliance Officer shall retain copies of all applications and acknowledgements either in physical or electronic mode.

(vii) In exceptional circumstances approval may not be given if the Compliance Officer is of the opinion that the proposed deal is on the basis of possession of any Unpublished Price Sensitive Information. There shall be no obligation to give reasons for any withholding of consent.

6.15 **Threshold Limit for Pre-clearance**

The pre-clearance shall not be necessary if the value of the Securities Traded, whether in one transaction or a series of transactions over a calendar quarter, aggregates to a traded value not in excess of Rs.10,00,000.

6.16 **Validity of Pre-Clearance Period**

Designated Persons shall complete execution of their pre-cleared Trades in respect of Securities of the Company no later than 7 Trading Days after the approval of pre-clearance is given failing which fresh pre-clearance would be required for the Trades to be executed.

6.17 **Reporting**

Designated Persons executing pre-cleared Trades shall file within 2 trading days of the execution of the Trade, the details of such Trade, with the Compliance Officer in the format set out in **Annexure E** of this Code. In the event such Trade is not executed, a report to that effect shall be filed with the Compliance Officer also in the format set out in **Annexure E** of this Code.

## 6.18 Holding Period of Securities

- (i) All Designated Persons who are permitted to Trade shall not enter into a contra Trade during the next 6 months following the prior Trade.
- (ii) In case the contra trade is necessitated by emergency, the Compliance Officer may waive the holding period after recording in writing reasons in this regard provided such waiver does not amount to violation of the Insider Trading Regulations or this Code. Similarly in the case of emergency of Trade by a Compliance Officer, the Compliance Officer may obtain the waiver from the Managing Director or in his absence, the Chairman of the Board, provided that such waiver does not violate this Code or the Insider Trading Regulations. The application for waiver shall be made in the format prescribed in **Annexure F** hereto.
- (iii) In case a contra Trade is 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 Act.

Provided that (i), (ii) and (iii) above shall not be applicable for Trades pursuant to exercise of stock options.

## 7 PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 7.1 Access to Unpublished Price Sensitive information shall be on a “need-to- know” basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, in the course of performance of duties or in discharge of legal obligations.
- 7.2 Files containing Unpublished Price Sensitive Information shall be kept secure. Computer files shall have adequate security of login and passwords, etc. Guidelines for maintenance of electronic records and systems may be prescribed by the Compliance Officer from time to time in consultation with the person in-charge of the information technology function of the Company
- 7.3 To prevent the misuse of UPSI, the Company adopts the “Chinese Wall” Policy which separates those areas of the Company which routinely have access to UPSI, considered —”inside areas” from those departments which deal with sale/marketing or other departments providing support services, considered—”public areas”.
- 7.4 As per the said Policy:-
  - (i) The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
  - (ii) The Employees in inside area may be physically separated from the Employees in public area.
  - (iii) Demarcation of the various departments as inside areas may be implemented by the Compliance Officer in consultation with the Board of Directors;
  - (iv) The Employees within the inside area of the Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately;
  - (v) The establishment of Chinese Wall is not intended to suggest that within inside areas material, Unpublished Price Sensitive Information can be circulate

freely. Within inside areas, the need-to-know basis rule will apply; and

- (vi) Only in exceptional circumstances, Employees from the public areas may be permitted to 'cross the wall' are brought 'over the wall' and provided UPSI on "need to know" basis under intimation to the Compliance Officer. In such cases, the Compliance Officer shall ensure that all necessary restrictions are imposed on such Employee(s) in relation to protection of such Unpublished Price Sensitive Information.

## **8 DISCLOSURES**

### **8.1 General provisions:**

- (i) All public disclosures required to be made pursuant to the Insider Trading Regulations and this Code shall be made in the formats specified in the Insider Trading Regulations and this Code.
- (ii) The disclosures to be made by any person under this Code shall include those relating to Trading by such person's Immediate Relatives, and by any other person for whom such person takes Trading decisions.
- (iii) The disclosures of Trading in Securities shall also include Trading in derivatives of Securities and the traded value of the derivatives shall be taken into account for purposes of disclosure. Provided that Trading in derivatives of Securities is permitted by any law for the time being in force.

### **8.2 Disclosures by certain persons:**

#### **(i) Initial Disclosures**

- (a) Every person on appointment as a Director or Key Managerial Personnel of the Company or upon becoming a Promoter or member of Promoter Group shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 (seven) days of such appointment or becoming a Promoter, in the format specified in **Annexure G Form B** hereto.

#### **(ii) Continual Disclosures**

- (a) All Promoters, member of Promoter Group, Directors, and Designated Persons of the Company shall disclose to the Company the number of Securities acquired or disposed off within 2 (two) Trading Days of such transaction, if the value of the Securities Traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000 or such other value as may be prescribed, in the format specified in **Annexure H Form C** hereto.
- (b) The Company shall notify the particulars of such Trading to the stock exchange on which the Securities of the Company are listed within 2 (two) Trading Days from the receipt of such disclosure or becoming aware of such information.

It is hereby clarified that the disclosure of the incremental transactions after any continual disclosure made under this sub-clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in this sub-clause above.

(iii) **Disclosure by other Connected Persons**

The Compliance Officer or the Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of his/its/their holdings and Trading in Securities of the Company in the format specified in **Annexure I Form D** hereto, at such frequency as may be determined by the Compliance Officer in order to monitor compliance with the Insider Trading Regulations.

(iv) **Other Disclosures by Designated Persons**

(a) One Time Disclosure

The Designated Person shall disclose the following information in **Annexure J**, one time basis, to the Company within 30 (thirty) days from the date on which this Code becomes applicable:

- (i) his/her Phone, mobile and cell numbers;
- (ii) his/her Permanent Account Number or any other identifier authorized by law; and
- (iii) the names of educational institutions from which Designated Persons have graduated and names of their past employers.

(b) Annual Disclosure and Continual Disclosure

The Designated Person shall disclose to the Company in **Annexure – K** within [30 (thirty)] days from the end of the financial year and on continual disclosure basis, as and when the information changes, within 7 (seven) days of such change:

- (i) name of Immediate Relatives;
- (ii) persons with whom such Designated Person(s) shares a material financial relationship;
- (iii)
- (iv) Permanent Account Number or any other identifier authorized by law of (i) & (ii)
- (v) phone, mobile and cell numbers of (i) and (ii).

Explanation – 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 from a Designated Person during the immediately preceding 12 (twelve) months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.

Compliance Officer at its discretion may extend / waive the aforesaid period for the disclosures (a) and (b) above.

8.3 All disclosures under this code must be made in the prescribed formats and must be sent to the Compliance Officer at: [investors@varroc.com](mailto:investors@varroc.com). The original disclosures must be sent at the following address:

**Compliance Officer**  
**Varroc Engineering Limited**  
**L-4, Waluj MIDC, Aurangabad – 431 136**

## **9 PRESERVATION OF DISCLOSURES**

All undertakings, disclosures and applications made/submitted under these regulations shall be maintained by the Compliance Officer, for a minimum period of eight years or such period as specified as per the laws for the time being, whichever is longer.

## **10 DISSEMINATION OF PRICE SENSITIVE INFORMATION**

- 10.1 No Unpublished Price Sensitive Information shall be passed by Designated Persons including by way of making a recommendation for the purchase or sale of any Securities.
- 10.2 Disclosures/ dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:
- 10.3 The following guidelines shall be followed while dealing with analysts, media persons and institutional investors:
  - i. Only public information to be provided.
  - ii. At least two company representatives be present at a meeting with analysts, media persons and institutional investors.
  - iii. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
  - iv. Simultaneous release of information after every such meet.

## **11 COMPLIANCE WITH CODE OF CONDUCT**

- 11.1 The Compliance Officer shall report a compliance status on this Code on a quarterly basis to the Chairman of the Audit Committee and Board of Directors.
- 11.2 When a person who has traded in securities has been in possession of UPSI, his/her trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The onus is on the Insiders to prove that they are innocent.
- 11.3 Compliance Officer, shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s). A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;
  - (i) in the ordinary course of business.
  - (ii) in furtherance of performance of duty(ies);
  - (iii) for discharge of legal obligation(s).
  - (iv) for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company; and
  - (v) for any other purpose as may be prescribed under the Insider Trading Regulations or any other law for the time being in force, in this regard, as may be amended from time to time.



11.4 Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of Unpublished Price Sensitive Information shall be considered an “Insider” for purposes of this Code and due notice shall be given to such persons, in the format as set out in by the Compliance Officer from time to time:

- (i) To make aware such person that the information shared is or would be confidential;
- (ii) To instruct such person to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with Insider Trading Regulations; and
- (iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

11.5 The Chief Human Resources Officer shall ensure the following:

- (i) Provide updated and requisite details of Designated Persons to the Compliance Officer from time to time.
- (ii) Assist in obtaining initial disclosures from Designated Persons.

11.6 The Compliance officer will perform the following functions:

- (i) Review and update list of Designated Persons on a periodic basis.
- (ii) Conduct preliminary inquiries/investigations regarding alleged violations of the Code or the Insider Trading Regulations.
- (iii) Recommending to the Audit Committee penal consequences to be imposed on Designated Persons for any contravention of the Code.
- (iv) Waive the penal consequences for contraventions of the Code which does not amount to contravention of the Insider Trading Regulations.
- (v) Seek any such information / documents from the Designated Persons of the Company and their Immediate Relatives, as the case may be, for the purpose of enforcing the provisions of this Code and the Insider Trading Regulations, and it shall be the duty of such persons to provide the same forthwith. Failure or refusal to co-operate in such enquiries shall be deemed to be a serious violation of the obligations owed to the Company under this Code.

## **12 CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for adhering to each of the principles in compliance with Regulation 8(1) of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) read with Schedule A of the Regulations which is set out below:

- (i) The Company shall make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- (ii) The Company shall make uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
- (iii) The Company has designated a senior officer as the Chief Investor Relation Officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.

- (iv) The Company shall make prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- (v) If any Unpublished Price Sensitive Information is disclosed selectively, inadvertently or otherwise, the Chief Investor Relations Officer on having knowledge of such partial disclosure shall upload such information on the website of the Company and if required intimate the stock exchange(s) to ensure that the Unpublished Price Sensitive Information is generally available.
- (vi) The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. However, the Company shall not be obligated to respond to speculative news/press reports. However, if the stock exchange(s) make a query to clarify the position, the Company shall make a formal announcement on the stock exchange(s).
- (vii) The Company shall ensure that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
- (viii) The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- (ix) The Company shall ensure handling of all Unpublished Price Sensitive Information on a need-to-know basis and ensure that the person whom the such Unpublished Price Sensitive Information is disclosed shall not misuse such information, communicate such information to any other person and shall report any misuse of the Unpublished Price Sensitive Information to the Chief Investor Relations Officer. The aforesaid Code is subject to review by the Board from time to time. The Board of Directors of the Company may amend, modify or revise any or all clauses of this Code from time to time.

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

- 13.1 The Chief Executive Officer, Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in Insider regulations to prevent Insider Trading.
- 13.2 The internal controls shall include the following:
  - (a) a) all employees who have access to unpublished price sensitive information are identified as designated person;
  - (b) b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
  - (c) c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
  - (d) d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
  - (e) e) all other relevant requirements specified under these regulations shall be complied with;
  - (f) f) periodic process review to evaluate effectiveness of such internal controls.
- 13.3 If an inquiry has been initiated by the Company in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry conducted by the Company.

- 13.4 Intermediary or fiduciary engaged by the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the Insider Trading Regulations to prevent insider trading.
- 13.5 The Company shall engage such Intermediary or Fiduciary who have formulated Code of Conducts as per required under SEBI (Prohibition of Insider Trading) Regulations, 2015 to govern trading in securities by their designated persons and for handling the UPSI in their organization.
- 13.6 The Audit Committee shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

#### **14 PROCEDURE OF INQUIRY IN CASE OF LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

##### **14.1 BACKGROUND**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of Varroc Engineering Limited have laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information ("the Policy"), for adoption.

##### **14.2 OBJECTIVES**

- i) (i) To strengthen the internal control system to prevent leak of UPSI.
- ii)
- iii) (ii) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.
- iv)
- v) (iii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.
- vi)
- vii) (iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- viii)
- ix) (v) To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

##### **14.3 SCOPE**

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company.

#### 14.4 **DEFINITIONS**

- i. (i) Company's Head of Investor Relations shall act as its Chief Investor Relations Officer ("CIO"). In the absence of CIO, the Chief Financial Officer or the Company Secretary shall deal with dissemination of information and disclosure of UPSI.
- ii. (ii) Leak of UPSI shall mean communication of UPSI by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board of Directors and which is in not conformity due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.
- iii. (iii) Support Staff shall include IT staff or Legal and secretarial staff who have access to unpublished price sensitive information.

#### 14.5 **DUTIES OF CHIEF INVESTOR RELATIONS OFFICER**

The CIO shall be responsible to:

- (i) Oversee the Compliance of this policy.
- (ii) Intimate the incident of actual or suspected leak of UPSI to the stock exchanges.
- (iii) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the enquiry committee.
- (iv) Report the incident of actual or suspected leak of UPSI to the Board of Directors and Securities and Exchange Board of India, inquiries, and result thereof.

#### 14.6 **DISCLOSURE OF ACTUAL OF SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:**

On becoming aware of actual or suspected leak of unpublished price sensitive information of the Company, The Managing Director would then determine whether the information requires disclosure to the stock exchanges or not in accordance with the Listing Regulations and Insider Regulations. Thereafter, the Chief Investor Relation Officer will prepare the content of the disclosure and determine the timing of the disclosures.

The Company Secretary will then ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the prescribed format.

#### 14.7 **REPORT OF ACTUAL OF SUSPECTED LEAK OF UPSI TO SEBI**

A report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly furnished to the SEBI in the prescribed format.

#### 14.8 **CONSTITUTION OF ENQUIRY COMMITTEE**

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a committee to be called as "Enquiry Committee". The Enquiry Committee shall consist of minimum 4 (four) Members which shall include Managing Director, Chief Financial Officer, Company Secretary and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by the members of the Committee.

#### 14.9 **DUTIES OF ENQUIRY COMMITTEE:**

- i) The Enquiry Committee shall be responsible:-
- ii) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- iii) To authorize any person to collect necessary evidence; and
- iv) To decide disciplinary action thereon.

#### 14.10 **PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:**

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-known person, the CIO/Company Secretary after informing the same to the Managing Director or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure:-

##### **(a) Preliminary Enquiry:**

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

The Enquiry Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

##### **(b) Report of Preliminary Enquiry to the Enquiry Committee:**

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.

##### **(c) Disciplinary Action:**

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

#### **15 REPORTING OF ALLEGED VIOLATIONS**

Retaliation for reporting suspected violations is strictly prohibited under this Code. Employee who reports any alleged violations of insider trading laws in accordance with the informant mechanism introduced vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated September 17, 2019, will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.

#### **16 PENALTY FOR CONTRAVENTION**

16.1 The responsibility of complying with the provisions of the Insider Trading Regulations and the Code shall be entirely on the Designated Persons of the Company and other connected persons including any violation by their Immediate Relatives.

16.2 Any Designated Person or Insider who trades in Securities or communicates, provides, or allows access to any information for Trading in Securities in contravention of the Code, shall be penalized and appropriate action taken shall be taken against him/her by the Company basis his/ her seniority, number, and nature of

contraventions.

The penalty imposed/action by the Company may include but shall not be restricted to:

1. Reprimanding of defaulting Designated Person/Insider;
2. Ban from engaging in any trade of the securities of the Company (including exercise of stock options);
3. Suspension from employment;
4. Ban from participating in all future employee stock option schemes including lapse of all existing options;
5. No increment and/or bonus payment; and/or
6. Termination from employment;
7. Disgorgement of the gain accrued through the transactions in violation of the Code.

16.3 In addition to the action which may be taken by the Company, the persons violating the Regulations and/ or this Code shall also be subject to actions, under Section 15G of the Act pursuant to which they may be liable to penalty which shall not be less than Rs. 10 lakhs and which may extend to Rs. 25 crores or 3 times the amount of the profits made out of insider trading, whichever is higher; under Section 24 of the Act pursuant to which they may be liable to imprisonment for a term which may extend to 10 years and/or fine which may extend to Rs. 25 Crores; and other applicable laws.

16.4 If it is observed by the Board that there has been violation of Insider Trading Regulations, it shall inform to the appropriate Regulatory Authorities including but not limited to Stock exchanges and SEBI promptly.

## **17 CONSULTATION**

Any person, to whom this Code applies, and who has any doubt as to interpretation of any clause of the Code, should at all times consult the Compliance Officer. All communications under this Code should be addressed to the Compliance Officer or to the designated e-mail: [investors@varroc.com](mailto:investors@varroc.com).

## **18 MISCELLANEOUS**

18.1 All Connected Persons as defined under the Insider Trading Regulations shall when in possession of UPSI not communicate, provide access to or trade in the Securities of the Company.

18.2 Compliance Officer may require any other Connected Person or class of Connected Persons, not being presently covered as a Designated Person under this Code, to disclose holding and trading in the Securities of the Company, as and when deemed necessary, to monitor compliance with this Code and Insider Trading Regulations.

18.3 Compliance Officer shall be authorized to seek any such information / documents from the Connected Persons and/or their Immediate Relatives, as the case may be, for ensuring compliance with the Insider Trading Regulations.

## **19 AMENDMENTS AND MODIFICATIONS**

In the event of any conflict between the provisions of this Code and the provisions of the Insider Trading Regulations, Takeover regulations or any other statutory or regulatory enactment or rules, the provisions of such statutory or regulatory enactment shall prevail over the Code. Any subsequent amendment / modification in the Insider Trading Regulations, Takeover Regulations or other statutory or regulatory enactments shall automatically apply to this Code. In such event, Compliance Officer is authorised to amend the Code to give effect to such changes and the amended Code shall be placed before the Board for noting and ratification.

This Code shall be reviewed from time to time and the Board of Directors shall have the power to modify, amend or replace this Code in part or full, as may be thought fit from time to time in their absolute discretion.

**ANNEXURE A**

**APPLICATION FOR ANNUAL TRADING PLAN**

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

To,  
Compliance Officer  
Varroc Engineering Limited  
L-4, Waluj MIDC,  
Aurangabad – 431 136

Name of the Applicant: \_\_\_\_\_  
PAN \_\_\_\_\_

1. No. of securities held in the Company as on date: \_\_\_\_\_
2. Approval sought for: Self [ ]                      Immediate Relative (IR) [ ]
3. Trading plan belongs for a period of \_\_\_\_\_ months i.e. for a period commencing from \_\_\_\_\_ and ending on \_\_\_\_\_
4. Details of the proposed trade:

<b>Sr. No.</b>	<b>Nature of transaction (Sale/Purchase)</b>	<b>Date of transaction /period/interval transaction</b>	<b>Value of fortrade/ No. of securities transacted</b>	<b>Conditions /Remarks</b>

**Undertaking:**

- (a) I will not commence trading earlier than six months from the public disclosure of the plan.
- (b) I do not have overlapping trading plan for the same period.
- (c) In the event that I am in possession/knowledge of any information that is construed as “Unpublished Price Sensitive Information” as defined in the Policy, at the time of formulation and approval of this plan but which is not made public at the time of trading as per the approved time schedule in the said plan, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in
- (d) the securities of the Company until such information becomes public;
- (e) I have not contravened the provisions of the Insider Trading Policy as notified by the Company from time to time;
- (f) I have made full and true disclosure in the matter.
- (g) I undertake to abide by this trading plan once approved and shall furnish such declarations disclosures as may be deemed necessary by compliance officer for the monitoring of this plan.
- (h) I shall not use this trading plan as a tool for market abuse.

**Date:**

**Signature of Designated Employee**



**Use of Compliance Officer:**

Application recd. date	Approval Date	Approval No.	Approval No. Compliance Officer's signature

Approval granted for Trading Plan for a period of \_months commencing from\_\_ upto \_  
\_\_\_\_\_

Notification to Stock Exchange\_\_\_\_\_

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

**Compliance Officer**

Please provide all the information. Incomplete forms will not be accepted.

**ANNEXURE B**

**FORMAT OF APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL**

To,  
The Compliance Officer,  
Varroc Engineering Limited  
L-4, Waluj MIDC, Aurangabad – 431 136

Dear Sir,

I/We, ..... Designated Person(s)/ Immediate Relative Designated Person(s) of Varroc Engineering Limited intend to carry out transaction(s) in Securities of Varroc Engineering Limited as per the details given below:-

Name:

Department:

PERMANENT ACCOUNT NUMBER (PAN):

S. No.	No. of Securities held (including by dependent family members) as on the date of application	Folio No./ DP ID & Client ID	Nature of trading	Estimated number of securities to be dealt	Estimated value
1	2	3	4	5	5

In this connection I/We solemnly confirm and declare:

- (a) THAT I/we do not have access to, nor do I/we have any information that could be construed as Unpublished Price Sensitive Information as defined in the Code upto the time of signing this undertaking;
- (b) THAT in case I/ we have access to receive Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction, I/we shall inform the Compliance Officer of any change in such position and that I/we shall completely refrain from dealing in the securities of the Company till the time such information becomes public;
- (c) THAT I/we have not contravened the “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” for prevention of insider trading as notified by the Company from time to time;
- (d) THAT I/we shall hold the Securities for a minimum period of 6 (six) months from the date of trade/that I/we have complied with the requirement of minimum holding period of six (6) months with respect to the securities sold (applicable only in respect of sale transaction).

I/we hereby solemnly declare that I have made full and true disclosure in this regard to the best of my knowledge and belief.

Pre-clearance may kindly be accorded in terms of the requirement of the 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders', of the Company.

Yours faithfully,

Signature:

(Name of the Designated Person/ Immediate Relative)

Date:

Place:

**ANNEXURE C**  
**UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE**

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

To,  
The Compliance Officer  
Varroc Engineering Limited  
L-4, Waluj MIDC, Aurangabad – 431 136

Dear Sir/Madam,

I, \_\_\_\_\_, (Designation) residing at \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_ shares of the Company as mentioned in my application dated for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the Securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 4 (four) days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 (seven) days of the receipt of approval failing which I shall seek pre-clearance.

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

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

**ANNEXURE D**  
**PRE-CLEARANCE ORDER**

Date:

To,  
\_\_\_\_\_ (Applicant)

This is to inform you that your request for dealing in \_\_\_\_\_ no. of securities of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before [date] i.e., within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed forms as per the Company's Code of Conduct for Insider Trading within 2 days from the date of transaction/ deal. In case the transaction is not undertaken a 'Nil' report shall be submitted.

This Pre-Clearance approval has been granted pursuant to the Undertaking submitted by you as Annexure C. Any violation of this Code / Regulations shall result in, among others, disciplinary action as prescribed in this Code/ Regulations.

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

Compliance Officer

**ANNEXURE E**

**FORMAT FOR DISCLOSURE OF TRANSACTIONS EXECUTED/NOT EXECUTED AFTER OBTAINING PRE-CLEARANCE**

Date \_\_

To,  
The Compliance Officer,  
Varroc Engineering Limited,  
L-4, Waluj MIDC,  
Aurangabad – 431 136

With reference to trading approval granted by the Company to me on \_\_\_\_\_, I hereby inform that I have bought/sold/subscribed for \_\_ equity shares of the Company for Rs. \_\_\_\_\_ on \_\_\_\_\_.

In connection with the aforesaid transaction, please find enclosed copy of the following for your records:

Broker's contract note/Proof of payment to/from brokers/ Extract of bank passbook/statements (in case of demat transaction)/  
Copy of Delivery instruction slips (applicable in case of sale transactions)

I hereby undertake to preserve the original copy of the above mentioned document for a period of 8 years and produce to the Compliance Officer/Securities Exchange Board of India, if required in future.

Yours truly,

Name & Signature:

Designation:

Date:

Place:

**ANNEXURE F**

**APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD**

Date:

To,  
The Compliance Officer,  
Varroc Engineering Limited,  
L-4, Waluj MIDC,  
Aurangabad – 431 136

Dear Sir,

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and Varroc Engineering Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders, I \_\_\_(name and designation of the Designated Person) had \_\_\_ \_\_\_\_\_(provide the details of purchase/sale/subscribe for shares as the case may be)\_\_\_\_\_ (number of securities) of the Company on \_\_\_\_\_after obtaining pre-clearance on\_\_\_\_\_. The details of transaction executed were submitted on \_\_\_\_\_ (date) in format prescribed.

I seek your approval to waive off the time restrictions and permit to execute a contra-trade for \_\_\_\_\_ (number of securities) of the Company due to \_\_\_\_\_(valid reason(s) for executing contra trade).

I declare that I am not in possession of any Unpublished Price Sensitive Information (as defined under the Varroc Engineering Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders) up to the date of this application.

I further declare that in case I have access to any Unpublished Price Sensitive Information after the signing of this application and before executing a contra- trade (if permitted), I shall:

1. Promptly inform the Compliance Officer
2. Refrain from trading in securities of the Company. Yours truly,

Name & Signature:

Designation:

Date:

Place:

Enclosed:

1. Copy of pre-clearance approval
2. Copy of execution of previous trade

## ANNEXURE G

### FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6 (2)] – Disclosure on becoming a Key Managerial Personnel/Director/Promoter/Member of the promoter group]

Name of the company: Varroc Engineering Limited

ISIN of the Company: INE665L01035

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2)**

Name, PAN CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP/ Directors/ member of the promoter group/immediate relatives to/ others etc.)	Date of appointment of Director /KMP/ OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of becoming Promoter/ or member of the promoter group or appointment of Director/KMP		% of Shareholding
			Type of security (For e.g. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No.	
1	2	3	4	5	6

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

**Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or Member of Promoter Group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held at the time of becoming Promoter/ member of the promoter group or appointment of Director /KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/ member of the promoter group or appointment of Director /KMP		
Contract Specifications	Number of units (contracts* lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts* lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Name	
Signature	
Designation	
Date	
Place	



## ANNEXURE H

### FORM C

**SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]**

Name of the Company: Varroc Engineering Limited

ISIN of the Company: INE665L01035

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

Name, PAN, CIN/DIN, address with contact nos.	Category of Person (Promoter/Member of the Promoter Group/Designated Person/ Directors/ Immediate relative to/others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ disposal of shares specify	Date of intimation to company	Mode of acquisition / disposal (on market/public rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of shareholding	Type of security (For eg. –Shares, Warrants, Convertible Debentures Rights entitlements etc.)	No.	Value(Rs.)	Transaction Type (Purchase/ Sale/ Pledge / Revocation/ Invocation/Others- please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement etc.)	No. and % of shareholding	Trading Date From   To			
1	2	3	4	5	6	7	8	9	10	11   12	13	14	15

**Note:** (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
(ii) Value of transaction excludes taxes/brokerage/any other charges.

\*Every promoter, member of the promoter group, designated person] and director of the company shall disclose to the company the number of such securities 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 ten lakh rupees or such other value as may be specified

**Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Type of Contract	Contract specifications	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22
-	-	-	-	-	-	-

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

**ANNEXURE I**

**FORM D (Indicative format)**

**SEBI (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by Other connected persons as identified by the company**

**Details of trading in securities by other connected persons as identified by the Company**

Name, PAN, CIN/DIN & address with contact nos. of connected persons, as identified by the company	Connection with company	Securities held prior to acquisition/ disposal		Securities acquired/Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ disposal of shares specify	Date of intimation to company	Mode of acquisition / disposal (on market/public rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures , Rights entitlements etc.)	No. and % of shareholding	Type of security (For eg. –Shares, Warrants, Convertible Debentures Rights entitlements etc.)	No.	Value	Transaction Type (Purchase/ Sale/ Pledge / Revocation/ Invocation/Others- please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement etc.)	No. and % of shareholding				
1	2	3	4	5	6	7	8	9	10	11   12	13	14	15

**Note:** (i) “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
(ii) Value of transaction excludes taxes/brokerage/any other charges.

**Details of trading in derivatives on the securities of the company by other connected persons as identified by the company**

Type of Contract	Contract specifications	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22
-	-	-	-	-	-	-

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:  
Designation:  
Date:  
Place:

**ANNEXURE J**  
**PERIODIC DISCLOSURE FROM DESIGNATED PERSON (S)**  
**UNDER CODE FOR PROHIBITION OF INSIDER TRADING**

**JOINING DECLARATION**

<b>From</b>	
Shri/Smt.	:
Address	:
PAN No. or any other identifier authorized by law where PAN is not available	:
Personal E-mail id	:
*Designation	:
*Employee Code	:
Mobile Number	:
Name & address of the educational institutions of Graduation and above (including institutions of PG/ Professional/Diploma, etc.)@	:
Name of all Past employers@	:

(@ - One-time disclosure)

**Date**

To  
**Compliance Officer**  
 Varroc Engineering Limited  
 L-4, Waluj MIDC,  
 Aurangabad – 431 136

Dear Sir,

**SUB: PERIODIC DECLARATION OF MY SHARE HOLDING IN THE COMPANY/ OTHER DISCLOSURE INCLUDING DISCLOSURE OF IMMEDIATE RELATIVES AND PERSONS WITH WHOM DESIGNATED PERSON(S)/ SHARES A MATERIAL FINANCIAL RELATIONSHIP**

**A. In terms of the requirement of the Code for Prohibition of Insider Trading, for periodic disclosure, following details of my share-holding in the Company are furnished herewith:**

<b>Period of disclosure</b>	<b>No. of shares held by me as on date of joining i.e. DDMMYYYY</b>	<b>DP ID/ Client ID (All Demat Accounts)</b>
At the time of Joining		

**B. In terms of the requirement of the Code for Prohibition of Insider Trading, for periodic disclosures, following details of holding of my immediate relatives are furnished herewith:**

<b>Sl No.</b>	<b>Name of the Immediate Relatives</b>	<b>Relationship</b>	<b>PAN No. or any other identifier authorized by law where PAN is not Available</b>	<b>Phone/ Mobile</b>	<b>DP ID/ Client ID (All Demat Accounts)</b>
1.					
2.					

**C. In terms of the requirement of the Code for Prohibition of Insider Trading, for periodic disclosures details of persons with whom I have a material financial relationship is furnished herewith:**

Sl No.	Name of the Persons with whom I/We have material financial relationship	PAN No. or any other identifier authorized by law where PAN is not Available	Phone/Mobile	DP ID/ Client ID (All Demat Accounts)
1.				
2.				

I/We declare that I/We (including Immediate Relative(s) any of whom is either dependent financially on me or consults me in taking decisions relating to trading in securities) have not entered into an opposite transaction i.e. purchased/sold any number of shares during the preceding six months prior to any transaction in the shares of the Company. Further, I/my Immediate Relative(s) have not contravened the Company's Code as notified by the Company from time to time and I have made full and true disclosure in the matter.

I undertake to submit this declaration on an annual basis and upon change in information (w.r.t. Point B and C) submitted in the this/earlier declaration within 30 days from closure of FY/change.

Thanking You,

\_\_\_\_\_  
(Name of Designated person)

**Notes:**

1. **"Immediate relative"** means a spouse of a person and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.
2. **"Material financial relationship"** 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 designated person's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

**ANNEXURE K**  
**PERIODIC DISCLOSURE FROM DESIGNATED PERSON (S)**  
**UNDER CODE FOR PROHIBITION OF INSIDER TRADING**

**ANNUAL DISCLOSURE**

<b>From</b>		
Shri/Smt.	:	
Address	:	
PAN No. or any other identifier authorized by law where PAN is not available	:	
Personal E-mail id	:	
Designation	:	
Employee Code	:	
Mobile Number	:	

**Date:**

To  
**Compliance Officer**  
Varroc Engineering Limited  
L-4, Waluj MIDC,  
Aurangabad – 431 136

Dear Sir,

**SUB: PERIODIC DECLARATION OF MY SHARE HOLDING IN THE COMPANY/ OTHER DISCLOSURE INCLUDING DISCLOSURE OF IMMEDIATE RELATIVES AND PERSONS WITH WHOM DESIGNATED PERSON(S)/ SHARES A MATERIAL FINANCIAL RELATIONSHIP**

**A. In terms of the requirement of the Code for Prohibition of Insider Trading, for periodic disclosure, following details of my share-holding in the Company are furnished herewith:**

Period of disclosure	No. of shares held by me as on 1/4/20__	No. of shares bought during the year	No. of shares sold during the year	No. of shares held by me as on 31/3/20__	DP ID/ Client ID (All Demat Accounts)
	(A)	(B)	(C)	(D) = (A)+(B)-(C)	
Annual					

**B. In terms of the requirement of the Code for Prohibition of Insider Trading, for periodic disclosures, following details of holding of my immediate relatives are furnished herewith:**

Sl No.	Name of the Immediate Relatives	Relationship	PAN No. or any other identifier authorized by law where PAN is not Available	Phone/ Mobile	DP ID/ Client ID (All Demat Accounts)
1.					
2.					
3.					

**C. In terms of the requirement of the Code for Prohibition of Insider Trading, for periodic disclosures details of persons with whom I have a material financial relationship is furnished herewith:**

<b>Sl No.</b>	<b>Name of the Persons with whom I/We have material financial relationship</b>	<b>PAN No. or any other identifier authorized by law where PAN is not Available</b>	<b>Phone/Mobile</b>	<b>DP ID/ Client ID (All Demat Accounts)</b>
1.				
2.				

I/We declare that I/We (including Immediate Relative(s) any of whom is either dependent financially on me or consults me in taking decisions relating to trading in securities) have not entered into an opposite transaction i.e., purchased/sold any number of shares during the preceding six months prior to any transaction in the shares of the Company. Further, I/my Immediate Relative(s) have not contravened the Company's Code as notified by the Company from time to time and I have made full and true disclosure in the matter.

I undertake to submit this declaration on an annual basis and upon change in information (w.r.t. Point B and C) submitted in the this/earlier declaration within 30 days from closure of FY/change.

Thanking You,

**(Name of Designated Person)**

**Notes:**

1. **"Immediate relative"** means a spouse of a person and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.
2. **"Material financial relationship"** 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 designated person's annual income but shall exclude relationships in which the payment is based on arm's length transactions.