



Since 1971

# KHAZANCHI JEWELLERS

KHAZANCHI JEWELLERS LIMITED

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## **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS**

*(with effect from April 01, 2023 and amended policy with effect from May 23, 2025)*

### **PREAMBLE**

In terms of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of every listed company and market intermediary shall formulate a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to the said regulations, without diluting the provisions of these regulations in any manner.

### **THE CODE AND OBLIGATIONS**

To achieve the objectives of this Code, Khazanchi Jewellers Limited (herein after referred to as “the Company”) hereby notifies that this code of conduct shall be followed by all promoters, directors, key managerial personnel, employees and connected persons.

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every promoter, director, key managerial personnel, employee of the Company and any connected person has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the company. No such person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

### **DEFINITIONS**

(1) “**Act**” means the Securities and Exchange Board of India Act, 1992;

(2) “**Board**” means the Board of Directors of Khazanchi Jewellers Limited;

(3) **“Code”** means the Khazanchi Jewellers Limited Code for Prohibition of Insider Trading under SEBI (PIT) Regulations 2015, as amended;

(4) **“Compliance Officer”** “compliance officer” means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, 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 specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be

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

(5) **“Connected persons”** mean-

(i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, that allow such a 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) a 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 relative or banker of the company, has more than ten per cent of the holding or interest; or
- (k) a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
- (l).a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d)

**NOTE:** It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may seemingly not occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

**(6) "Designated Persons" mean-**

- (a) All Promoters and promoter group of the Company
- (b) All Directors, Key Managerial Personnel and Senior Management Personnel
- (b) CEO and Employees upto two levels below CEO of the Company and its Material Subsidiaries irrespective of their functional role in the Company or ability to access to UPSI;
- (c) Key executives in the Finance and Secretarial Department located at Accounts / Corporate office of the Company
- (d) Statutory Auditors / Internal Auditors

(e) Any other employees and their dependents, as may be identified by the Compliance Officer who are privy to any price sensitive information.

(f) Employees of Material Subsidiaries of the Company designated on the basis of their functional role or access to UPSI by their Board;

(g) Any support staff of the Company such as IT Staff, Secretarial Staff who have access to UPSI;

(h) Immediate Relatives of persons mentioned in Clause (a) to (g).

(7) **“Employee”** means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the said Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

(8) **“Fiduciaries”** means Professional Firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc., assisting or advising the Company shall be collectively referred to as Fiduciaries for the purpose of these regulations.

(9) **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;

(10) **“Legitimate Purpose”** shall include sharing of UPSI 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 and such other category of persons that the Board of Directors may specify, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

(11) **“Insider”** means any person who is a Connected Person or in possession or having access to UPSI. Persons receiving UPSI for Legitimate Purpose will also be considered as an Insider.

(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.

(13) **“Informant”** means an individual(s), who voluntarily submits to the Board a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.

(14) **“Irrelevant, Vexatious and Frivolous Information”** includes, reporting of information which in the opinion of the Board-

(i) Does not constitute a violation of insider trading laws; or

(ii) Is rendered solely for the purposes of malicious prosecution; or

(iii) Is rendered intentionally in an effort to waste the time and resource of the Board.

(15) **“Officer of the Company”** means any person as defined in of Section 2(59) of the Companies Act, 2013 and includes the auditor of the Company.

(16) **“Original Information”** means any relevant information submitted in accordance with the said Regulations pertaining to any violation of insider trading laws that is:

(i) derived from the independent knowledge and analysis of the Informant;

(ii) not known to the Board from any other source, except where the Informant is the original source of the information;

(iii) is sufficiently specific, credible and timely to –

(1) commence an examination or inquiry or audit;

(2) assist in an ongoing examination or investigation or inquiry or

(3) inquire into a different conduct as part of an ongoing examination or investigation or inquiry or audit directed by the Board;

(iv) not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit or investigation, or from the news media, except where the Informant is the original source of the information; and

(v) not irrelevant or frivolous or vexatious.

(17) **“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.

(18) **“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.

(19) **“Relative”** shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;
- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at sub-clause (iii); and
- (vi) spouse of the person listed at sub-clause (iv)

(20) **Structured Digital Database:**

(i) The Company will maintain an electronic record containing the nature of UPSI, the name, PAN / any other identifier authorized by law (in case PAN is not available) and such other details of persons who shared the information and name, PAN / any other identifier authorized by law (in case PAN is not available) and such other details of such person with whom UPSI is shared under this Code. Such databases shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

(ii) The Heads of the departments / functions and / or Designated Persons who share UPSI for legitimate purposes will be responsible for reporting the aforementioned details as per Insider Trading Regulations from time to time, in the Digital Database to the Compliance Officer:

(iii) It should be ensured that in addition to obtaining the above details, confidentiality agreements are entered into with or notice is served on such persons with whom UPSI is shared for legitimate purposes before sharing such information. The above list of such persons and disclosures made by them under clause should be reviewed annually.

(iv) The Audit Committee shall review on an annual basis the compliance with the provisions of the SEBI PIT Regulations and verify that the systems for internal control are adequate and operating effectively.

(v) The board of directors or head of the organization or compliance officer of the Khazanchi Jewellers Limited, shall ensure that the structured digital database is

preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

(vi) Obtain declarations for adherence to Minimum Standards of Code of Conduct from Intermediaries and Fiduciaries

Chinese Wall procedures and physical arrangements (collectively „Chinese Walls“) shall be used to manage confidential information and prevent the inadvertent spread and misuse of price sensitive information. In general, Chinese Walls separate areas that have access to price sensitive information (“Insider Areas”) from those who do not have such access (“Public Areas”). As such, Chinese Walls are designed to operate as barriers to the passing of price sensitive information and other confidential information.

Where Chinese Wall arrangements are in place Employees working within an Insider Area are prohibited from communicating any price sensitive information to Employees in Public Areas without the prior approval of the Compliance Officer.

Employees within a Chinese Wall shall be responsible to ensure the Chinese Wall is not breached deliberately or inadvertently. Employees should take care to ensure that price sensitive information is not posted on IT systems that are available outside specific Insider areas (e.g. Intranet). Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.

The establishment of Chinese Walls is not intended to suggest that price sensitive information can circulate freely within Insider Areas. The „need-to-know“ principle shall be fully in effect within Insider Areas. In exceptional circumstances, Employees from the Public Areas may be allowed to „cross the wall“ and given price sensitive information by following the „need-to-know“ principle, under intimation to the Compliance Officer. The Compliance Officer would duly record reasons for crossing the wall in writing. Such persons shall be made aware of the duties and responsibilities attached to the receipt of UPSI, and the liability that attaches to misuse or unwarranted use of such information.

(21) **“Securities / Shares” or “Securities of the Company”** shall include shares, scrips, stock, bonds, debentures, debenture stock and other derivative instruments which are listed on Stock Exchange(s).



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

(23) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.

(24) **"Unpublished price sensitive information (UPSI)"** means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and award or termination of order/contracts not in the normal course of business] and such other transaction ;
- (v) changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor and
- (vi) Change in rating(s), other than ESG rating(s);(vii)fund raising proposed to be undertaken;
- (viii) agreements, by whatever name called, which may impact the management or control of the company;
- (ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- (x) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- (xi) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- (xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- (xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its

directors, key managerial personnel, promoter or subsidiary, in relation to the company;

(xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;

(xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;

(xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

(vi) such other information as determined by the Board of Directors / Chief Executive Officer / Chief Operating Officer / Chief Financial Officer / Compliance Officer, from time to time.

(25) **“Unpublished Information”** means any information, which is not officially published by the Company or its agent and is not specific in nature. However, speculative reports in print or electronic media by an analyst or reporter or by means of rumour shall not be considered as published information.

However, certain information will be treated as Unpublished Price Sensitive Information based on the materiality of the information.

The information shall be termed as material if the information fulfills any of the following criteria;

**i. Quantitative criteria** of determining materiality shall become applicable to an **event / information**;

Where the corresponding value involved or the corresponding estimated impact exceeds;

- a. 20 % of the Profit after Tax; or
- b. 15 % of the Turnover; or
- c. 50 % of the net worth

The above threshold shall be determined on the basis of audited financial statements of the previous financial year.

**ii. Subjective criteria** of determining materiality shall become applicable to an **event / information**;

The omission of which is likely to result in –

- a. A discontinuity of information already available publicly; or

b. Significant market reaction in the price of the securities of the Company, if the said omission came to public at a later date.

**iii. In the opinion of Board of Directors of the Company,** the information is considered as material information.

It should be understood that the determination of materiality should be a dynamic concept. It shall depend on the context of disclosures and may therefore be applied differently to different disclosures over time depending on the evolution of various factors involved. Also, care should be taken if the information is proprietary or confidential. Information shall be regarded as proprietary to the Company if disclosing it publicly would undermine its competitive position. Information shall be regarded as Confidential if there are obligations to other counterparty relationships binding the Company to confidentiality. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), 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.

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

i. The Chief Executive Officer by whatever name called, Managing Director or such other analogous person of a listed company, shall put in place adequate and effective system of internal controls by making standard operating procedures („SOPs') to ensure compliance with the requirements given in these regulations and Company's Code of Conduct to prevent insider trading.

ii. The Internal Controls shall include

- (a) all employees who have access to unpublished price sensitive information are identified as Designated person;
- (b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations
- (c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations

(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) all other relevant requirements specified under these regulations shall be complied with

(f) periodic process review to evaluate effectiveness of such internal controls.

iii. The board of directors of every listed company shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with these regulation and sub-regulations of this regulation.

iv. The Audit Committee of a listed company 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.

iv. The Company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

v. The company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

vi. 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 listed company.

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

All Designated Persons shall be governed by an internal code of conduct governing dealing in securities.

## TRADING PLAN

- a. A Designated Person or an Insider shall be 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.
- b. Trading Plan shall:
  - (i) not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days from the public disclosure of the plan
  - (ii) not entail overlap of any period for which another trading plan is already in existence;
  - (iii) set out following parameters for each trade to be executed:
    - (i) either the value of trade to be effected or the number of securities to be traded;
    - (ii) nature of the trade;
    - (iii) either specific date or time period not exceeding five consecutive trading days
    - (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
      - a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
      - b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price

*Explanation: (i) While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional. (ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral. (iii) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.*

- (iv) not entail trading in securities for market abuse

c. The Compliance Officer shall review 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.

The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the 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.

If the insider has set a price limit for a trade, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

**Explanation:**

In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in sub-regulation 4 or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

(i) The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.

(ii) Upon receipt of information from the insider, the compliance officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.

(iii) The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.

(iv) In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per the Code of Conduct.”

d. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

e. The trading window norms and restrictions shall not be applicable for trades carried out in accordance with an approved trading plan.

f. The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

#### **TRADING WINDOW AND WINDOW CLOSURE:**

The trading period, i.e. the trading period of the stock exchanges, called “trading window”, is available for trading in the Company’s securities.

a. All Designated Persons / their Immediate Relatives shall be subject to the trading restrictions as enumerated below;

1. The Designated Person and their immediate relatives are allowed to trade in the shares of the Company only during specific trading period called “Trading Window” to be specified by the Company.

2. All Designated Persons and their immediate relatives shall not trade in the securities of the Company when the trading window is closed. It is the duty of the Designated Persons to inform the Immediate Relatives about the closure of trading window, as and when communicated by the Company and ensure that they do not deal in the Securities of the Company.

3. The Trading Window shall be closed during the time the information mentioned hereunder is unpublished;

- i. Declaration of Financial Results (quarterly, half yearly and annual)
- ii. Declaration of dividends (interim and final)
- iii. Change in capital structure
- iv. Mergers, de-mergers, de-listings;
- v. Changes in key managerial personnel;
- vi. Such other information as may be specified by the Compliance Officer in consultation with the Managing Director/ Chief Executive Officer for the purpose.

4. In respect of declaration of financial results, the Trading Window shall remain closed from the day when notice convening the Board Meeting/Committee Meeting to consider and approve the financial results of the quarter, half-year or financial year, as

the case may be is given to the Stock Exchanges and till 48 hours after the results are communicated to the Stock Exchanges after the date of the meeting.

5. Similarly, in respect of events mentioned in clause (b) to (c), the Trading Window shall remain closed from the day when notice convening the Board Meeting/Committee Meeting to consider and approve the concerned event, as the case may be is given to the Stock Exchanges and till 48 hours after the outcome of the Meeting is communicated to the Stock Exchanges after the date of the meeting.

6. Trading Window for the events mentioned in clause (d) to (f) will be closed for such Designated Persons who at the time of closure of trading window possess or hold any UPSI.

7. The Trading Window shall be opened 48 hours after the information referred above is made public by intimation to the Stock Exchange.

8. All Designated Persons shall conduct all their dealing in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, or during any other period as may be specified by the Company from time to time.

9. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

10. The trading window restrictions mentioned this sub-clause shall not apply in respect of–

- i. off-market, *inter-se* transfer between insiders who were in possession of the same UPSI without violating the policy 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 policy 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 policy.

vi. Pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the compliance officer.

vii. Transactions undertaken in accordance to 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.

viii. in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these 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;

b. The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

c. The trading window shall also be applicable 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.

## **CONTRA TRADE**

All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction, except where the restrictions on contra trade shall not be applicable where such trade is carried out in accordance with an approved trading plan or for trades pursuant to exercise of stock options. Derivative contract that is cash settled on expiry shall be considered to be a contra trade.

The compliance officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.

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 Protection and Education Fund administered by SEBI under the Act.

The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

In case, the Designated Persons deal in any Securities of the Company through his/her portfolio manager/ investment manager, the same shall be disclosed to the Compliance Officer and restrictions relating to Trading in Securities of the Company under this Code will also apply to the trading in securities of the company through his/her portfolio manager/ investment manager.

## **PRE-CLEARANCE OF TRADES**

a. All Designated Persons or their immediate relatives who intend to trade in Khazanchi Jewellers Limited Securities shall apply for pre-clearance of the transactions, by making an application as per prescribed form and undertaking set out in Annexure, to the Compliance Officer if the value of the proposed trades exceeds Rs. 10,00,000/- (Rupees Ten lakhs) in a calendar quarter, in a single transaction or in multiple transactions or such other value as may be specified by the Board of Directors from time to time.

However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade.

b. The Designated Persons will have to obtain pre-clearance for the following transactions undertaken during the closure of Trading Window, irrespective of the value of the proposed trade:

- i. Off-market Inter-se transfer between insiders;
- ii. Transaction through Block deal window mechanism between insiders;
- iii. Transaction due to statutory or regulatory obligations;
- iv. Trade pursuant to duly approved Trading plan;
- v. Creation/release of pledge for bona fide purpose such as raising of funds;
- vi. Transaction pursuant to the exercise of stock options;
- vii. Derivative transactions in the securities of the Company.

c. The Compliance Officer shall either clear the requested trade or decline to clear the requested trade within three (3) Working Days from the receipt of the application (duly completed in all respects) as per the prescribed form set out in Annexure.

In case the Compliance Officer declines to clear the requested deal, he shall assign reasons in writing for doing so. If the Designated Person doesn't receive any response from the Compliance Officer within the aforesaid period of three (3) Working Days, the requested deal can be deemed to have been cleared by the Compliance Officer.

d. 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 unpublished price sensitive information.

e. In case the Compliance Officer or any of his / her Immediate Relatives intend to trade in Khazanchi Jewellers Limited Securities, the Compliance Officer shall apply for pre clearance for such trade as per the prescribed form set out in Annexure to the Managing Director or of the Company who would consider the application (duly completed in all respect) within three (3) Working days as aforesaid. The remaining provisions of this clause, as applicable to Designated Persons, would also apply to the Compliance Officer.

f. Pre-Clearance shall not be given to any designated person who is aware /expected to be aware of one or more of the events mentioned in (iii) above, due to his involvement in the proposed transaction or has been notified by the Compliance Officer to such effect, even though full details may not have been disclosed to him on the principle of 'need to know' basis.

g. Pre-clearance shall not be required for the following transactions:

- i. transactions pursuant to Transmission of shares in accordance with applicable law;
- ii. transactions involving transfer of Securities from Depository Participant to another provided that the shareholder and the beneficial owner of such Securities do not change; and
- iii. transactions pursuant to merger, demerger, or any other Court Order

h. If a trading window closure is announced after the grant of pre-clearance but during the validity period of such pre-clearance, the pre-clearance shall immediately become void prospectively. Transactions already entered into prior to the announcement of the Trading window closure, will however not be considered to be in violation of this Code.

#### **OTHER RESTRICTIONS**

a. The Designated Persons shall execute their order of Khazanchi Jewellers Limited Securities within seven trading days after the approval of pre-clearance is given, failing which fresh pre-clearance would be needed for the trades to be executed.

b. The Designated Person shall not execute/deal in a contra trade for any number of Khazanchi Jewellers Limited securities for a period of 6 months from the execution of the last trade in Khazanchi Jewellers Limited securities. However, this shall not be applicable for trades pursuant to exercise of stock options.

Explanation: Contra trade means: In case the Designated Person pre-clears for buying shares of the Company, he cannot enter into a sale of securities of the Company for a period of 6 months from the date of execution of buy order and vice-versa.

c. The Compliance officer (in consultation with the Managing Director on a case to case basis) may waive the trade of securities, in case it is necessitated due to personal

emergency before the six months period mentioned above, for reasons to be recorded in writing provided that such relaxation does not violate these Regulations.

d. The Designated Person shall apply in Annexure to the Compliance Officer. The Compliance Officer may take necessary undertakings and declarations and seek appropriate information as he deems necessary from the designated person before granting the relaxation.

e. Notwithstanding anything above, if a contra trade is executed inadvertently or otherwise in violation of this code, the profits therefrom must be disgorged for remittance to Securities and Exchange Board of India („SEBI“) for credit to the Investor Protection and Education Fund administered by SEBI.

#### **PROTECTION AGAINST RETALIATION AND VICTIMIZATION**

Employees shall be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by the Board or he or she is eligible for a Reward under these regulations, by reason of:

- a. Filing a Voluntary Information Disclosure Form under these regulations;
- b. Testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- c. Breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

Provided that such protection shall not be available for any employee who files or threatens to file Voluntary Information Disclosure with

- a. Mala-fide intention; or
- b. Motive to harass the Company
- c. Motive to extort money from the Company

Explanation - For the above purpose, “employee” means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

## **DISCLOSURE UNDER THIS CODE AND THE REGULATIONS**

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

1. Immediate relatives;
2. Persons with whom such designated person(s) shares a material financial relationship;
3. Phone, mobile and cell numbers which are used by them.

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

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 during the immediately preceding twelve months, equivalent to at least 25% of such payers annual income but shall exclude relationships in which the payment is based on arms length transactions.

### **INITIAL DISCLOSURE**

Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter or member of the 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 seven days of such appointment or becoming a promoter.

### **CONTINUAL DISCLOSURE**

- (a) Every promoter member of the promoter group, designated person and director of every 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;

- (b) Every Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. —It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold

- (c) The above disclosures shall be made in such form and such manner as may be specified by the Board from time to time.

#### **DISCLOSURES BY THE COMPANY TO THE STOCK EXCHANGE(S)**

Within 2 (two) trading days of the receipt of intimation, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / Designated persons for a minimum period of five years.

#### **AD-HOC DISCLOSURE**

a. The Company may at its own discretion require any other connected persons or class of connected persons to make disclosures of holdings and trading in securities of the Company in such Form and at such frequency as may be determined by the Company to monitor compliance with this Code and the Regulations.

b. The Designated Person who is leaving the organization will be required to execute the undertaking as provided in the disclosures made hereunder shall be maintained by the Company, for a minimum period of five years, in such form as may be specified.

#### **HALF YEARLY/ANNUAL DISCLOSURES**

All Directors, KMP, Promoters, member of promoter group, Designated persons and their Immediate Relatives trading in the securities of the Company shall be required to forward following details of their Securities transactions including the holdings of

Immediate Relatives to the Compliance Officer -Annual statement of all holdings and trading in securities of the Company in as on March 31 of each year, before April 30 of that year.

#### **PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT:**

- a. Any Designated Persons who trades in securities or communicates any information for trading in securities, in contravention of this code may be penalized and appropriate action may be taken by the Company against such person.
- b. Designated persons who violate the provisions of this Code shall also be subject to disciplinary action by the Company, which would be determined by the Managing Director, based on the recommendations of the committee to be set up for this purpose. The penalty may include wage freeze, suspension, recovery, claw back, etc. and any amount collected under this clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund („IPEF“) administered by the SEBI under the Act.
- c. The action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Insider trading Regulations.

#### **INFORMATION TO STOCK EXCHANGES**

In case, it is observed by the Compliance Officer, intermediaries and fiduciaries that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 then intermediaries, fiduciaries and the Compliance Officer on behalf of the Company, in consultation with and based on the advice of, Audit Committee and the Board of Directors of the Company, shall promptly inform the Stock Exchange(s) where the concerned securities are traded, regarding violations relating to Code of Conduct under PIT Regulations

#### **AMENDMENT**

The Company is committed to continuously reviewing and updating its policies, and the Company therefore reserves the right to amend this Policy at any time, for any reason, subject to applicable law.

These Rules are subject to the applicable prevailing law in relation to prevention of Insider Trading and if there is any inconsistency between any of the provisions of these Rules and applicable law, the applicable law shall prevail.



**FOR APPLICATION FOR PRE-CLEARANCE APPROVAL**

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

**To**

**The Compliance Officer**

Khazanchi Jewellers Limited

No. 130, N.S.C. Bose Road, Chennai -600079

**Dear Sir / Madam,**

**Re : Application for Pre-clearance approval in securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase/sell/subscribe Equity Shares of the Company as per details given below

1	Name of the applicant	
2	Designation	
2A	Relationship with the Applicant (Self/Immediate)	
3	Number of securities held as on date	
4	Folio No. / DPID/Client ID No.	
5	The proposal is for a) Purchase of securities (b) Subscription to securities (c) Sale of securities (d) Pledge	
6	Proposed date of trading in securities	
7	Estimated number of securities proposed to be purchased/subscribed/sold/pledge	
8	Current market price (as on date of application)	
9	Whether the proposed transaction will be through stock exchange or off-market trade	
10	Folio No./ DPID/ Client ID No. where the securities will be credited/ debited	

I am enclosing the form of Undertaking duly signed by me.

Yours faithfully,

**FORMAT FOR UNDERTAKING**  
**[TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE]**

To,  
Compliance Officer  
Khazanchi Jewellers Limited  
No. 130, N.S.C. Bose Road, Chennai -600079

Dear Sir,

**Sub. : Application for Pre Clearance of trade**

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

Further I undertake and confirm that:

- a. I do not have any access to nor in receipt of any "Price Sensitive Information" upto the time of signing this under taking.
- b. In case I get access to or receive any "Price Sensitive Information" subsequent to the signing of this undertaking but prior to the execution of the transaction I shall inform you of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- c. I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- d. I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.
- e. If approval is granted, I shall execute the trade within seven days of the receipt of approval failing which I shall seek pre-clearance afresh.
- f. I have made full and true disclosure in the matter.

Thanking you,

Date:

Signature

**FORMAT FOR PRE- CLEARANCE ORDER**

**To**

**Name:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Address/Place:** \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (Nos.) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is 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 attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

**Yours faithfully,**

**For Khazanchi Jewellers Limited**

**Compliance Officer**

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

**Encl: Format for submission of details of transaction.**

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

**(To be submitted within 2 days of transaction / dealing in securities of the Company)**

**To**

**The Compliance Officer**

Khazanchi Jewellers Limited

No. 130, N.S.C. Bose Road, Chennai -600079

With reference to trading approval granted by the Company to me on \_\_\_\_\_, I hereby inform that-

- I have not bought / sold/ subscribed any securities of the Company
- I have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_ (date

Name of holder	No. of securities dealt with	Bought / sold / subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

- (1) Broker's contract note.
- (2) Proof of payment to/from brokers.
- (3) Extract of bank passbook/statement (to be submitted in case of demat transactions).
- (4) Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

(Note: After pre-clearance, if the Designated Person opts not to trade in securities should enclose the reasons for taking such decision along with this form.)

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

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

Name : \_\_\_\_\_

Designation: \_\_\_\_\_

### INFORMATION PURSUANT TO CLAUSE VII(8) OF THE CODE

To  
The Compliance Officer  
Khazanchi Jewellers Limited  
No. 130, N.S.C. Bose Road, Chennai -600079

In compliance of Clause 14 of the Schedule B of PIT Regulations and Code on sharing of Unpublished Price Sensitive Information [UPSI] for Legitimate purpose:

Sr. No.	Name of the person	Relationship (Self/ Immediate Relative/ material relationship)	Permanent Account Number or any other identifier authorized by law	Contact details (Phone, Mobile No. and Email ID)

I \_\_\_\_\_, hereby undertake that the aforementioned information provided by the undersigned above is true and to the best of my knowledge. The information is provided in compliance with Clause VII(8) of the Code and as per the Schedule B of the Regulations. The undersigned is being made aware that the above information will be kept strictly confidential and will not be shared except under the following circumstances:

- (a) Under any proceedings or pursuant to any order of courts or tribunals;
- (b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law; and
- (c) In compliance with applicable laws, regulations, rules and requirements;

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

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

Name: \_\_\_\_\_

Designation: \_\_\_\_\_