

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

INTRODUCTION

The Securities and Exchange Board of India (SEBI), as a part of its efforts to protect the interest of investors in general, had issued the SEBI (Insider Trading) Regulations, 2015 (“**Regulation**”), under the powers conferred on it by the SEBI Act, 1992. This regulation is applicable to all the listed companies. This Regulations came into force with effect from May 15, 2015.

In compliance with the said Regulation, the Company has framed “Savani Financials Limited Code of Internal Procedure and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders” as amended from time to time. This Code is applicable to the Designated Persons as may be specified by the Board of Directors and their Immediate Relatives.

DEFINITIONS

“**Act**” means the Securities and Exchange Board of India Act, 1992

“**Board**” means the Board of Directors of the Company

“**Code**” or “**Code of Conduct**” shall mean this “Savani Financials Limited Code of Internal Procedure and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders”, as amended from time to time

“**Company**” means **SAVANI FINANCIALS LIMITED.**

“**Compliance Officer**” means Company Secretary or such other senior officer designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these

regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes under the overall supervision of the Board of Directors of the Company.

“Connected Person” means:

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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

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:

- i. An immediate relative of connected persons specified in clause (i) above.
- ii. A holding company or associate company or subsidiary company.
- iii. An intermediary as specified in Section 12 of the Act or an employee or director thereof.
- iv. An investment company, trustee company, asset management company or an employee or director thereof.

An official of a stock exchange or of a clearing house or corporation.

A member of the 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.

A member of the Board of directors or an employee of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or an official or an employee of a self-regulatory organization recognized or authorized by the Board.

A banker of the Company.

A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

“Dealing in Securities” means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company.

“Designated Person” shall include:

- i. Employees in the category of Senior Manager and above.
- ii. Such other employees or Connected Persons (including representatives of the auditors, law firms) identified by the Compliance Officer as Designated Persons in consultation with the Board of Directors, based on their functional role in the Company.

“Director” means a member of the Board of Directors of the Company.

“Employee” means every employee of the Company including the Directors and Key Managerial Personnel in the employment of the Company and its subsidiary companies.

“Generally Available Information” means information that is accessible to the public on a non-discriminatory basis.

“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.

“Insider” means any person in relation to the Company, who is in possession of or having access to Unpublished Price Sensitive Information and will include the following persons:

- i. Promoters, Directors and Key Managerial Personnel and their immediate relatives
- ii. Designated Persons.
- iii. Connected Persons in possession of or having access to unpublished price sensitive information.

“Need to Know” basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

All non-public information directly received by any employee should immediately be reported to the head of the department.

“Key Managerial Personnel” means person as defined in Section 2(51) of the Companies Act, 2013.

“Promoter” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

“Regulations” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

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

“Takeover Regulations” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

“Trading in Securities” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities of the Company, and "trade" shall be construed accordingly.

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

“Unpublished Price Sensitive Information” means any information, relating to the Company or its Securities listed or proposed to be listed, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following:

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

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

COMPLIANCE OFFICER

- i. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Unpublished Price Sensitive Information”, pre-clearing of trades of Designated Persons, monitoring of trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company.
- ii. The Compliance Officer shall identify such market intermediaries in accordance with section 11 (2)(b) and 11 (2)(b)(a) of SEBI Act, 1992 read with Regulation 2 (g) of SEBI (Intermediaries) Regulations, 2008 and every other person who is required to handle unpublished price sensitive information of the Company.
- iii. The Compliance Officer shall maintain a record of the Designated Persons and any changes made in the list of Designated Persons.
- iv. The Compliance Officer shall assist Designated Persons and/ or all Employees in addressing any clarifications regarding the Regulations and this Code.
- v. The Compliance Officer shall report on the compliance and implementation of the Regulations and the Code to the Board and shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board as and when directed by the Board or Audit Committee.

- vi. The Compliance Offer shall confidentially maintain a list of such Securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

APPLICABILITY OF THIS CODE

Dealing in securities of the Company by Designated Persons (and immediate relatives of Designated Persons) of the Company, shall be governed by this Code.

PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not communicate, provide or allow access to any Unpublished Price Sensitive Information except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

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

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

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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

LIMITED ACCESS TO CONFIDENTIAL INFORMATION

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

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

TRADING WINDOW

The Company, through the Compliance Officer, shall specify a trading period, to be called "Trading Window", for trading in Securities. The "Trading Window" shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information.

"Trading Window" with respect to the Company's Securities shall be closed at the time of:-

- i. Declaration of Financial results (quarterly, half-yearly and annual)
- ii. Declaration of dividends (interim and final).
- iii. Issue of Securities by way of public / rights / bonus etc. or any change in capital structure.
- iv. Amalgamation, demergers, mergers, takeovers, acquisitions, delisting, disposal of substantial assets, expansion of business, buy-back and other such transactions.
- v. Changes in Key Managerial Personnel.
- vi. Disposal of whole or substantially whole of the undertaking.
- vii. Material events in accordance with the listing regulations.

- viii. Any changes in policies, plans or operations of the Company disrupt operations due to natural calamities.
- ix. Commencement of any new commercial production/ commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year.
- x. Developments with respect to changes in pricing/ realization on goods and services arising out of changes in government policy.
- xi. Litigation/ dispute with a material impact.
- xii. Revision of credit ratings assigned to any debt or equity instrument of the Company.
- xiii. The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.
- xiv. When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such a period.
- xv. All Specified Persons shall conduct all their dealings 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, as referred above or during any other period as may be specified by the Company from time to time.
- xvi. In the 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 window is closed.
- xvii. In respect of the declaration of financial results, the Trading Window shall remain closed from a date that is 7 days prior to the end of the respective quarter, half year or financial year, as the case may be.
- xviii. The Trading Window shall be opened 48 hours after the information referred to above becomes generally available.

The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he 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.

Designated Persons and to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising the Company shall conduct all their dealings in the Securities of the Company only when the trading window is open and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when trading window is closed.

PRE CLEARANCE-OF TRADES

Designated Persons who intend to deal in the Company's Securities during the period other than the restricted / blackout period and who do not hold any Unpublished Price Sensitive Information at the time of seeking pre clearance and where such Securities that have been held for minimum period of six months or have not entered into an opposite transaction during last six months shall obtain a prior permission from the Compliance Officer by making an application in the prescribed form for dealing in Securities. However, no preclearance would be required, if the traded value of such Securities does not exceed Rs. 10,00,000/- in a financial year.

In case of dealing by the Compliance Officer, prior permission from Managing Director and in case of Managing Director from a Director of the Company shall be obtained.

Transaction for which permission is taken shall be carried out within 7 days after the approval, otherwise, fresh permission would be required.

The employee / Connected Person shall disclose within two trading days the trade undertaken to the Compliance Officer.

All Designated Persons who buy or sell any number of Securities shall not enter into an opposite transaction i.e. sell or buy any number of Securities during the next six months

following the prior transaction (“**Restricted Period**”). All Designated Persons shall also not take positions in derivative transactions in the Securities at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Education and Protection Fund administered by SEBI under the Act. The Compliance Officer may waive off the holding period in case of sale of Securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading Window is closed. Ordinarily, the restrictions imposed by this Clause shall not be applicable in any of the following instances-:

The Securities are purchased by exercise of stock options under the Employee Stock Option Scheme/s of the Company in force and thereafter sold within the Restricted Period; or

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

TRADING PLAN

A Designated Person or any Insider is entitled to formulate a Trading Plan for dealing in Securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

Trading Plan shall:

- i. Not entail commencement of trading on behalf of the Designated Person or Insider earlier than six months from the public disclosure of the plan.
- ii. Not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results.

- iii. Entail trading for a period of not less than twelve months.
- iv. Not entail overlap of any period for which another trading plan is already in existence.
- v. Set out either the value of trades to be affected 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 affected; and
- vi. Not entail trading in Securities for market abuse.

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

The Trading Plan once approved shall be irrevocable and the Designated Person and/or Insider shall mandatorily have to implement the Plan, without being entitled to either deviate from it or to execute any trade in the Securities outside the scope of the Trading Plan. However, the implementation of the Trading Plan shall not commence, if at the time of formulation of the Plan, the Designated Person and/or Insider is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information. Further, the Designated Person and/or Insider shall also not be allowed to deal in Securities of the Company, if the date of trading in Securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

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

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

Reporting Requirements for transactions in Securities

Initial Disclosure

- i. Every Promoter, Key Managerial Personnel and Director of the Company shall disclose his/her holding of Securities of the Company as on the date of these regulations taking effect, to the Company within thirty days of the Regulations taking effect.
- ii. Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a Promoter.

Continual Disclosure

Every Promoter, Employee and Director of the Company shall disclose to the Company, the number of such Securities of the Company acquired or disposed of within two trading days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value more than Rs. 10,00,000/- (Rupees Ten Lacs). The disclosure shall be made within two trading days of:

the receipt of intimation of allotment of Securities, or

- a) the acquisition or sale of shares or voting rights.

Disclosure by the Company to the Stock Exchange(s)

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

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

Dissemination of Price Sensitive Information

No information shall be passed on to Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors.

Only public information is to be provided.

At least two Company representatives be present at meetings with analysts, media people and institutional investors.

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.

Simultaneous release of information after every such meeting.

Penalty for contravention of code of conduct

Any employee/ director who trades in Securities or communicates any information for trading in Securities, in contravention of the Code of Conduct may be penalized and appropriate action may be taken by the Company.

Employees/ directors of the Company who violate the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

Designated Persons shall bring to the attention of the Compliance Officer and the Board any violation of the Regulations or this Code whether committed by such Designated Person or any other person.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

Inquiry

Where based on the records available or the information received, Compliance Officer finds or has a reason to believe that any employee or officer of the company has violated the provisions of this Code, then such person may be required to furnish documents/ evidence to prove the compliance of the Code by him.

If on the receipt of the documents/ evidence, the Compliance Officer is satisfied that there is no non-compliance of the Code then no penal action will be taken against him. However, in case of non-compliance of the Code, appropriate penal actions as decided by the Board of Directors would be taken against such a person.

In case the proper documents/ information is not submitted by the insider, within the time limit as prescribed by the Compliance Officer then the Compliance Officer and HR-Head shall jointly undertake an inquiry.

To undertake the inquiry, the Compliance Officer and HR Head may appoint one or more competent people (hereinafter referred to as authorized representative). While undertaking an inquiry, the authorized representative may take such actions as may be required including checking the transaction of the insider with the brokerage firm/ relevant agencies or authorities. The inquiry should be completed in 15 days. The authorized representative will submit his report to the Compliance Officer within 5 days of the completion of the inquiry.

If on the completion of the investigation, insider is found to be the guilty of the violation of the Code, then his case would be referred to the Board of Directors and appropriate disciplinary action would be taken against him. Decision of the Board of Directors would be final and binding upon the insider.

Modification of the Code

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