

GODREJ FINANCE LIMITED

Insider Trading – Code of Conduct

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Chapter 1- Preliminary and Restrictions on Insider Trading

1.1 Background

Regulation 9(1) of the Securities and Exchange Board (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”), as amended from time to time, mandates the Board of Directors of every listed company to formulate a Code of conduct (“the Code”) to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons by adopting the minimum standards set out in Schedule B of the Regulations.

1.2 Objective of this Code of Conduct

This Code shall govern the conduct of Insiders, connected persons and ‘persons who are deemed to be connected on matters relating to Insider Trading.

Insider Trading involves trading in the listed securities of a company, by connected or any persons in possession of or with access to unpublished price sensitive information (“UPSI”) not available to the general public, who can take advantage of or benefit from such UPSI. Trading in securities by an ‘insider’ is regarded unfair when it is predicated upon utilisation of ‘inside’ information to profit at the expense of other investors who do not have access to the same information.

In order to fully understand the scope of restrictions on insider trading, it is first necessary to understand the following terms/definitions.

1.3 Definitions

(a) **“Company”** means Godrej Finance Limited (**“GFL”**).

(b) **“Connected person”** means:

- (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whether temporary or permanent, with the Company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 Securities & Exchange Board of India Act, 1992 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 authorised 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 point no. (b)(i) is also a partner; or
- (l) a person sharing household or residence with a connected person specified in point no. (b)(i)."

(c) "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 the 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 the 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.

(d) "Dealing in securities" means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent.

(e) "Designated Persons" means:

- (i) Members of the Board of Directors of the Company,
- (ii) Members of the Management Committee of the Company,
- (iii) Chief Financial Officer (CFOs) of Holding company, listed subsidiary company and listed associate company,
- (iv) Level 3 employees,
- (v) Head of Internal Audit Department,
- (vi) Secretaries/Executive Assistants reporting to the Chairperson / Managing Director and Chief Executive Officer /any Executive Director/CFO,
- (vii) Members of the Secretarial & Compliance team, Accounts team, Treasury team, MD&CEO's Office and / or any other team when in possession of UPSI,
- (viii) Auditors of the Company,
- (ix) All Promoters and Members belonging to Promoter Group of the Company,
- (x) Managing Director & Chief Executive Officer and Employees up to two levels below Managing Director & Chief Executive Officer of the Company irrespective of their functional role in the Company or ability to have access to UPSI;

- (xi) Any support staff of the Company, such as IT staff or secretarial staff who have access to UPSI,
- (xii) Such other persons as may be identified by the Compliance Officer.

(f) **"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.

(g) **"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.

Note: if spouse is financially independent and does not consult an insider while taking trading decisions, the spouse will not be exempted from the definition of immediate relative. A spouse is presumed to be an "immediate relative", unless rebutted so.

(h) **"Insider"** means any person who is:

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information.

(i) **"Promoter and 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 (including any modification(s) / amendment(s)/ re-enactment(s) thereof).

(j) **"Proposed to be listed"** shall include securities of an unlisted company:

- (i) if such unlisted company has filed offer documents or other documents, as the case may be, with the Securities and Exchange Board of India, stock exchange(s) or registrar of companies in connection with the listing; or
- (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013.

(k) **"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 point no. (iii);
- (vi) spouse of the person listed at point no.(iv).

(l) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof.

(m) **"Trading"** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities and "trade" shall be construed accordingly.

Note: Such a wide construction is intended to curb the activities based on Unpublished Price Sensitive Information which strictly need not only be buying, selling or subscribing, when in possession on Unpublished Price Sensitive Information.

- (n) **“Trading day”** means a day on which the recognised stock exchanges are open for trading.
- (o) **“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 include but is not restricted to, information relating to matters defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended:
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business (award or termination of order/contracts not in the normal course of business) and such other transactions;
 - (v) changes in key managerial personnel (other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor);
 - (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;
 - (xvii) Such other information, as the Managing Director and Chief Executive Officer/Whole Time Director / Compliance Officer/ Chief Financial Officer may prescribe from time to time.

(p) **“Legitimate Purpose”** shall have same meaning as assigned to it under Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“UPSI”) of the Company.

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

1.4 Compliance Officer

The Company Secretary of the Company, shall act as the Compliance Officer for the purposes of the Regulations, who shall work subject to the guidance of the Chairperson and the Board of Directors and reports to the Board of Directors for the purpose of this Code and Regulation.

1.5 Restriction on Communication or procurement of UPSI

- a. No insider shall communicate, provide, or allow access to any UPSI relating to the Company or securities listed or proposed to be listed by the Company, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- b. No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or securities listed or proposed to be listed by the Company, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- c. Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an insider for the purpose of this Code and the Regulations.
- d. The Designated Persons and Employees, sharing UPSI in furtherance of legitimate purposes, shall issue a due notice or enter into a confidentiality / non-disclosure agreement with such insider to maintain confidentiality of the UPSI in compliance with these rules and the Regulations.
- e. Notwithstanding anything contained herein, UPSI 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 is of informed opinion that the proposed transaction 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 of the Company is of informed opinion that sharing of such information is in the best interest of the Company and the information that constitutes UPSI is disseminated to be made generally available at least 2 (two) trading days prior to the proposed transaction being effected in such form as the Board of Directors of the Company may determine to be adequate and fair to cover all relevant and material facts.
- f. For purpose of point (e) above, the Board of Directors of the Company 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 the above point (e), and shall not otherwise trade in securities of the Company when in possession of UPSI.

1.6 Trading in Securities of the Company when in possession of UPSI

(i) Restriction on trading in Securities of the Company

No Insider shall trade in Securities of the Company that are listed or proposed to be listed on a stock exchange at any time when he/she is in possession of any UPSI.

Explanation –When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Such insider shall also maintain the confidentiality of all UPSI and shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company.

(ii) Joint holding

The provisions of this code shall also be applicable to all Designated persons and their immediate relatives for trading either as a first named shareholder or as a joint holder.

1.7 Chinese Wall

To prevent misuse of confidential information, the Company has laid down Chinese Walls procedures which separate those areas of the Company that routinely have access to confidential information, considered "inside areas" from those which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".

- (i) The employees in the inside area shall not communicate any UPSI to anyone in public area.
- (ii) The Company shall have the process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.
- (iii) All the UPSI is to be handled on "need to know basis", i.e., UPSI should be disclosed only in furtherance of legitimate purpose and 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 the non-public information directly received by any employee should immediately be reported to the head of the department. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

1.8 Pre-clearance of trades

- (i) All Designated Persons who are part of the Promoter and Promoter Group of the Company, who intend to trade in the securities of the Company (either in their own name or in any immediate relative's name) i.e. buy or sell or deal in securities, irrespective of the quantum (number of securities) or value of the transaction, shall make an application for pre-clearance in the format set out in **Annexure A** to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which he / she / it has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of UPSI.
- (ii) All Designated Persons other than Promoters and Members of the Promoter Group who intend to trade in the securities of the Company (either in their own name or in any immediate relative's name) i.e. buy or sell or deal in securities and if value of the securities likely to be traded, whether in one transaction or a series of transactions in calendar quarter, aggregates to a traded value in excess of **₹10,00,000 (Rupees Ten Lakh Only)**, shall make an application for pre-clearance in the format set out in **Annexure A** to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which he / she/ it has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of UPSI.
- (iii) No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of UPSI even if the trading window is not closed. No designated person shall trade in Securities of the Company that are listed or proposed to be listed on a stock exchange at any time when he/she is in possession of any UPSI.
- (iv) The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.
- (v) All Designated Persons of the Company and their immediate relatives shall execute their order in respect of securities of the Company within 7 (seven) trading days after the approval of pre-clearance is given. If the trade is not executed within 7 (seven) trading days after the approval order is given, the Designated Person(s) and their immediate relative(s), as the case may be, must obtain a fresh pre-clearance from the Compliance Officer for the transaction before the trade is executed.

1.9 No Trading Period

- (i) The trading period during which securities of the Company can be traded is called trading window. The trading window shall be closed during the time the price sensitive information is un-published.
- (ii) When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in securities of the Company in such period.
- (iii) The trading window shall be closed at the time of occurrence of UPSI and such other time as the compliance officer determines that a dsesignated person or class of

designated person is reasonably expected to have possession of unpublished price sensitive information.

- (iv) The Compliance Officer shall also close the trading window when he / she determines that a designated person or class of designated persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates. The trading window shall be opened 48 (Forty-Eight) hours after the UPSI becomes generally available.

The trading window provisions shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company.

- (v) The Compliance Officer after taking into account various factors including the UPSI 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 48 (Forty-Eight) hours after the information becomes generally available.
- (vi) The following transactions shall not attract trading window restrictions mentioned above, however, the Designated Persons shall have to obtain pre-clearance from the compliance officer, irrespective of the value of the proposed trade in compliance with the Regulations:
 - a) an off-market inter-se transfer between insiders who were in possession of the same UPSI*,
 - b) a transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI *,
 - c) a transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction,
 - d) the transaction in question was undertaken pursuant to exercise of stock options, if any in respect of which exercise price was pre-determined in compliance with applicable regulations
 - e) trades pursuant to a trading plan set up in accordance with these Regulations;
 - f) pledge of shares/securities for a bona fide purpose such as raising funds
- (vii) The transactions undertaken in accordance with respective SEBI regulations 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 and delisting offer, or transactions undertaken through such other mechanism as may be specified by SEBI from time to time, shall not attract trading window restrictions.

** the Unpublished Price Sensitive Information should not be obtained under sub-regulation 3 of Regulation 3 of the Regulations or such other applicable provisions of the Regulations.*

1.10 Holding Period/Contra Trade

- (i) Designated person (including their immediate relatives) who is permitted to trade shall not execute a contra trade i.e. enter into an opposite transaction during the next 6 (Six) months following the prior transaction ("contra trade").

However, the restriction on contra trade shall not apply to trades pursuant to exercise of stock options, if any

- (ii) The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the Regulations.

1.11 Trading by Portfolio Managers

The code is also applicable to insiders who engage Portfolio Managers to trade in securities and hence the insiders are expected to take due precaution while trading in securities through Portfolio Managers by:

- Informing Portfolio Managers about closure of trading window,
- Ensuring to seek pre-clearance, wherever applicable, when the Portfolio Manager proposes to trade in Securities of the Company exceeding threshold limit and also make continual disclosures, wherever applicable, as provided in this Code,
- Ensuring that the portfolio manager abides by the requirement of minimum holding period and not do contra trade as provided in this Code,
- Prohibiting the Portfolio manager to trade in securities of the Company at his own discretion or when the insider is in possession of UPSI.

Despite the above, if any trading is done by portfolio managers, it will be treated as trading done by the insider, and therefore the insider will be held responsible for any such non-compliance and subject to such penalties as specified in this code.

Chapter 2 - Disclosures & Reporting

Apart from the restrictions mentioned in Chapter 1, the Company is required to obtain certain disclosures and is empowered to levy penalties as and when deemed fit.

The disclosures to be made by any person under this Chapter shall also include those relating to such person's immediate relatives and any other person for whom such person takes trading decisions.

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 this Chapter:

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

The disclosures made under this Chapter shall be maintained by the company, for a minimum period of five years, in such form as may be specified

2.1 Initial Disclosure

Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter or Member of Promoter Group shall disclose his / her holding of securities of the Company within 7 (seven) days of such appointment or becoming a Promoter / Key Managerial Personnel / Director inform the Company in Annexure B (as prescribed or amended by SEBI, from time to time).

2.2 Continual Disclosure

Every Promoter, Member of Promoter Group, Designated Person and Director of the Company shall disclose to the Company, from time to time, the number of securities acquired or disposed of 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 ten lakh rupees or such other value as may be specified.

2.3 Disclosure by other Connected Persons (not covered under Clause 2.2 above)

The Compliance Officer at his / her discretion may require any other Connected Persons (not covered under Clause 2.2 above) or class of Connected Persons to make disclosures of holdings and trading in securities of the Company as and when he / she deems fit in order to monitor compliance with the regulations in the format set out in **Annexure C** (as prescribed or amended by SEBI, from time to time).

2.4 Other Annual Disclosures by Designated Persons:

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons in terms of provisions of the Regulations, to the company on an annual basis and as and when the information changes:

- (i) immediate relatives;
- (ii) persons with whom such Designated person(s) shares a material financial relationship and
- (iii) 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.

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 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.

2.5 Dissemination of Price Sensitive Information

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

2.6 Reporting to the Board and Maintenance of Disclosures

- (i) The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairperson of the Audit Committee, if any, or to the Chairperson of the board of directors on yearly basis.
- (ii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons under this Regulation for a minimum period of 5 (five) years.
- (iii) The Secretarial Section shall acknowledge receipt of the declaration form received.

2.7 Digital Database of Recipients of UPSI:

- (i) The Designated Persons and employees, sharing UPSI in furtherance of legitimate purposes, shall inform to the Compliance Officer, the Name and Permanent Account Number or such other identifier authorized by law or such other details, as may be required, of such persons or entities with whom UPSI is shared under this Code.
- (ii) The details so obtained shall be maintained in a digital database with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.
- (iii) The Digital Database so maintained shall be preserved for a period of not less than 8 (eight) years after completion of the relevant transaction or for such specific period as may be specified by SEBI in case of proceedings, if any.

Provided that entry of information, not emanating from within the organisation, in structured digital database may be done not later than 2 calendar days from the receipt of such information

2.8 Review, Modification & Changes:

- There shall be an annual review of this Code by the Board of Directors.
- Board of Directors can at any time modify or amend, either the whole or any part of Code, within the regulatory framework

Chapter 3- Penalties

3.1 Penalty for non-compliance

Any Designated Person / Connected Person or their immediate relatives, who trades in securities of the Company in contravention of the provisions of this Code or the Regulations, as may be amended from time to time, shall be guilty of insider trading and shall be *inter-alia* liable for punishment and penalty as mentioned in this Code, the Regulations and the Securities & Exchange Board of India Act, 1992, as mentioned below.

3.2 Penalty for non- compliance with the Code of Conduct

Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of the Code may be penalized and appropriate action may be taken by the Company.

Categories of Non-Compliances	Penal/disciplinary actions proposed
Procedural Non Compliances	
(i) Executing transaction after expiry of 7 (seven) days from date of pre-clearance.	a) Written warning notice for first instance of non-compliance.
(ii) Non reporting of completion of transaction after pre-clearance	b) For second repeated act- ₹10,000/- (Rupees Ten Thousand Only) minimum and up to ₹25,000/- (Rupees Twenty-Five Thousand Only) for third repeated non-compliance.
(iii) Non reporting of transactions / Delay in reporting of transaction required to be reported post trading irrespective of the number / value of trade executed. <i>(such transaction should not be based on UPSI and should not be undertaken during trading window closure periods)</i>	c) Beyond third repeated act of non-compliance, it would be treated as substantive non-compliance resulting in such action the Board of Directors or any person / Committee authorized by the Board of Directors may deem fit, which may include suspension, freeze on increment / promotion, demotion, employment termination, recovery, order reversal of such transaction(s) etc. as deemed appropriate.
Substantive Non Compliances	
i) Trading in Securities of the Company during trading window closure period	Any of the following or combination thereof depending on the severity of the case: a) If the gain or loss avoided is less than ₹10,000/- (Rupees Ten Thousand Only), the penalty is ₹10,000/- (Rupees Ten Thousand Only). b) If the gain or loss avoided is more than ₹10,000- penalty amount to be
ii) Dealing in Securities of the Company without obtaining pre-clearance	
iii) Undertaking opposite transactions/ derivative transactions	
iv) Trading on the basis of UPSI / Passing on price sensitive information or making recommendations directly or	

indirectly for dealing in securities on the basis of such information v) Communication of UPSI in violation of the Code or the Regulations.	decided by the Board of Directors or any person / Committee authorised by the Board c) Such action the Board of Directors or any person / Committee authorised by the Board of Directors may deem fit which may include suspension, freeze on increment/promotion, demotion, employment termination, recovery, order reversal of such transaction(s) etc.
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Notes:

- a) *The action taken by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.*
- b) *In case it is observed by the Compliance Officer that there has been a violation of the Regulations, the stock exchange(s) and SEBI shall be informed by the Company as per applicable law.*
- c) *The Board of Directors or any person / Committee authorised by the Board of Directors may decide the penalty within the above framework by taking into consideration the factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, number of securities transacted, whether the breach occurred as a result of deliberate intent or not, etc.*
- d) *the Penalties recovered under this Code will be remitted to SEBI for credit to Investor Protection & Education Fund administered by SEBI.*

3.3 Penalties for non-compliance with the Securities & Exchange Board of India Act, 1992 (“the Act”).

Chapter VI A of the Act provides for various penalties, extracts of which are:

15A. *If any person, who is required under this Act or any rules or regulations made thereunder -*

- (a) *to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;*
- (b) *to file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return or furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;*
- (c) *to maintain books of accounts or records, fails to maintain the same, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.*

15G. *If any insider who -*

- (i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or*
- (ii) communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or*
- (iii) counsels, or procures for any other person to deal in any securities of anybody corporate on the basis of unpublished price sensitive information,*

shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

24. (1) Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.

(2) If any person fails to pay the penalty imposed by the Adjudicating Officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month, but which may extend to ten years or with fine, which may extend to twenty-five crore rupees or with both.

Without prejudice to directions under regulation 11, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11 B, 11D, Chapter VIA and Section 24 of the Act.

ANNEXURES**ANNEXURE A****A. Application - Cum Undertaking for Pre Clearance of Trades**

The Compliance Officer
Godrej Finance Limited ("GFL")
Pirojshanagar, Eastern Express Highway
Vikhroli (E), Mumbai 400 079

Date:
From:
Designation

With reference to the Code of Conduct of GFL for Prevention of Insider Trading, I hereby give notice that I propose to carry out the following transaction in GFL securities for Myself / As Joint Holder / My immediate relative.

Transaction (Sale/Purchase)	Type of Security	Number of Security

I hereby declare that:

- (a) I do not have any access nor have I received or possess "Unpublished Price Sensitive Information" upto the time of signing the undertaking.
- (b) That in case I have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction. I shall inform the Compliance Officer of the change in my position and that I would completely refrain from trading in the securities of the Company till the time such information becomes public.
- (c) That I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- (d) That I have made a full and true disclosure in the matter.

Signature of the Employee/Director _____

B. Authorization to Trade

The above transaction has been authorised. Your trading must be completed within 7 trading days from __.

Please confirm this by completing the section below and returning this Form to us within 7 days of completion of transaction.

Date:

Compliance Officer

C. Confirmation of Trades

The Compliance Officer
Godrej Finance Limited

I confirm the trading in the aforesaid securities was completed on _____.

Date:

Signature of the Employee/Director

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: _____

_____ ISIN of the company:

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 (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director / OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of securities (For eg. – 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 on the securities of the company held on appointment of 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).

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group	Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group
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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

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

Name &
Signature:
Designation:
Date:
Place
:

**FORM D (Indicative
format)**

SEBI (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by Other connected persons as identified by the company

of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address with contact nos. of other 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 – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of shareholding	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, 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	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

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

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed	
Type of Contract	Contract specifications	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:

Place: