



Ester Industries Ltd

Code of Conduct to Regulate, Monitor and Report
Trading by Insiders

INTRODUCTION

The Securities and Exchange Board of India (SEBI) in its endeavour to protect the interests of investors in general has formulated the SEBI (Insider Trading) Regulations, 2015 under the powers conferred on it under the SEBI Act, 1992 replacing the erstwhile SEBI (Prohibition of Insider Trading) Regulations, 1992.

Pursuant to Regulation 9(1) of the aforesaid Regulations casts a duty upon the Board of Directors of every listed company to formulate a code of conduct to regulate, monitor and report trading by Designated persons, their immediate relatives, promoters, members of the promoters group and other connected persons towards achieving compliance with SEBI (Prohibition of Insider Trading Regulations), 2015, adopting the minimum standards set out in the Schedule B to the Regulations. This Code shall apply to all Designated Persons and other connected Persons mentioned in this Code.

Accordingly, the Code on Prohibition of Insider Trading framed by the Company under the SEBI (Prohibition of Insider Trading) Regulations, 1992 stands replaced with this Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

1. 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 Code of Conduct to Regulate, Monitor and Report trading by insiders of Ester Industries Limited, as amended from time to time.
- **“Company”** means Ester Industries Limited.
- **“Compliance Officer”** means the person, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations, designated as compliance officer of the Company to administer this Code and other requirements under the Regulations
- **“Connected Person” means:**
 - (i) any person who is or has during the six months prior to the concerned act been associated with a 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 or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
 - (ii) Without prejudice to the generality of the foregoing, the persons falling within

the following categories shall be deemed to be connected persons unless the contrary is established –

- 1) an immediate relative of connected persons specified in clause (i); or
- 2) a holding company or associate company or subsidiary company; or
- 3) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- 4) an investment company, trustee company, asset management company or an employee or director thereof; or
- 5) an official of a stock exchange or of clearing house or corporation; or
- 6) 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
- 7) 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
- 8) an official or an employee of a self -regulatory organization recognised or authorized by the Board; or
- 9) a banker of the Company; or
- 10) 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.

- **“Designated Person”** shall consist of, following connected Persons/employees –
 - (i) All the Promoters and Directors of the Company
 - (ii) All the employee of M3 and above Level of the Company and its material subsidiary
 - (iii) All Employees of the Finance & Accounts, IT and Secretarial Department of the Company and its material subsidiary
 - (iv) Any other Connected Person/Employee of other Department as may be designated by the Company on a case-to-case basis.
 - (v) Immediate Relatives of (i) to (iv) above
- **“Employee”** means every employee of the Company and its material subsidiary and including the Directors in the employment of the Company and its material subsidiary.

- **"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.
- **"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 who is:
 - (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- **"Key Managerial Person"** means person as defined in Section 2(51) of the Companies Act, 2013 which states as below-
 - (i) Chief Executive Officer
 - (ii) Managing director
 - (iii) Whole-time Director
 - (iv) Chief Financial Officer
 - (v) Company Secretary;
- **"Legitimate Purpose"** as defined under Company's "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information"
- **"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.
- **"Material Subsidiary"** shall mean a subsidiary, whose income or net worth exceeds 10% percent of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year
- **"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.
- **"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;

- **"Regulations"** mean the SEBI (Prohibition of Insider trading) Regulations, 2015 as amended from time to time.
- **"Trading"** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, 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 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 be, 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 [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.

Explanation 1-

For the purpose of sub-clause (ix):

a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2-

For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.]

NOTE: It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information

2. INTERPRETATION

- i. Words and expressions used and not defined in this Code 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 as given in those legislation.
- ii. This Code can be modified/amended/alterd only by Board of Directors of the Company.
- iii. But in case of any statutory modification or amendment or alteration of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015, the newly modified/amended/alterd provisions of the Regulation shall be deemed to be implemented in the Code immediately with effect from the date of the statutory notification for modification or amendment or alteration etc.

3. ROLE OF COMPLIANCE OFFICER

- i. The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee and/or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors but not less than once in a year.
- ii. The Compliance Officer shall confidentially maintain a list of such securities as a restricted list which shall be used as their basis for approving or rejecting application for pre- clearance of trades.
- iii. The Compliance Officer shall monitor, review and approve all Trading Plans.
- iv. The Compliance Officer shall, based on his discretion and occurrence of specific events detailed in this Code of Conduct, regulate and monitor the Trading Window of the securities of the Company.
- v. The Compliance Officer may inquire any employee in relation to Trading of securities and handling of unpublished price sensitive information of the Company.
- vi. The Compliance Officer may require any other persons (law firms, consultants, investment bankers, vendors, customers, bankers etc.) to disclose shareholding and trading in securities of the Company.
- vii. The Compliance Officer will maintain a record (either manual or in electronic form) of the Designated Persons.
- viii. The Compliance Officer shall assist all employees/directors in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct.

4. RESTRICTION ON COMMUNICATION AND TRADING BY INSIDERS

- i. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to company or securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- ii. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- iii. Any person in receipt of unpublished price sensitive information pursuant to a

"legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

- iv. The Board of Directors of a listed Company shall make a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" formulated under regulation 8 of SEBI (Prohibition of Insider Trading Regulation), 2015;
- v. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations;
- vi. Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:—
 - a. entail an obligation to make an open offer under the takeover regulations where the board of directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company;
 - b. Not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.
- vii. For purposes of sub-regulation (3), the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information;
- viii. The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such

database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database;

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.

Trading when in possession of unpublished price sensitive information

- i. No insider shall trade in securities of the Company when in possession of unpublished price sensitive information subject to the proviso as mentioned in Regulation 4(1) of the Regulations.
- ii. When a person who has traded in securities has been in possession of unpublished price sensitive information, his/her trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

- a. the transaction is an off-market inter-se transfer between 39[insiders] who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of these regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information

- b. the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision; Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of these regulations.
- c. the transaction in question was 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 the exercise of stock options in respect of which the exercise price was pre-determined in compliance

with applicable regulations.

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. propiarte 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
 - c. e trades were pursuant to a trading plan set up in accordance with regulation 5 of this Regulation.
- iii. the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.
- iv. The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

5. TRADING PLAN

- i. 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.
- ii. Such trading plan shall –
 - a) 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;
 - b) not entail overlap of any period for which another trading plan is already in existence;
 - c) 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.
- d) not entail trading in securities for market abuse.
- iii. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

The trading plan once approved shall be irrevocable and the insider shall mandatorily have to be implemented and 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.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation.

Provided further that if the insider has set a price limit for a trade under Point c of clause (ii) mentioned above, 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.

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:

- a. 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.
- b. 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.

- c. 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.
- d. 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.
- iv. 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.
- v. The implementation of the trading plan shall not be commenced, if any Unpublished Price Sensitive Information (UPSI) in possession of the Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such UPSI becomes generally available information.
- vi. 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.

6. CHINESE WALL

- i. For dealing with Unpublished Price Sensitive Information within Company, the Company has adopted procedures and arrangements to designate separate areas that have access to Unpublished Price Sensitive Information (“Insider Areas”) from those who do not have such access (“Public Areas”) within the Company (collectively known as Chinese Wall procedures) so as to prevent the inadvertent spread and misuse of Unpublished Price Sensitive Information.
- ii. Designated Persons working within an Insider Area will be prohibited from communicating any Confidential or Unpublished Price Sensitive Information to any other person in Public Areas other than for legitimate purpose.
- iii. Designated Persons within Insider Areas shall have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Any instance of breach or suspected breach of the Chinese Wall must be referred to the Compliance Officer immediately.
- iv. The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the his/her legitimate purposes, performance of duties or discharge of his/her legal obligations.

“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.

7. TRADING WINDOW

- i. The period when the securities of the Company are available for trading in Stock Exchanges is called as “Trading Window” (notional). The trading window shall be closed when the Compliance officer determines that a designated person of class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.
- ii. The trading window shall be closed from the end of every quarter or at such other time as may be considered appropriate by Compliance Officer.
- iii. 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 48 hours after the information becomes generally available.
- iv. No Designated Person and their immediate relatives shall conduct any trading, in the shares of the Company during the closure of the Trading Window
- v. The above stated clauses pertaining to restriction of trading during closure of trading window shall not be applicable for trades carried out in accordance with an approved trading plan.
- vi. The trading window restrictions mentioned in sub-clause (1) shall not apply in respect of –
 - a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the Securities and Exchange Board of India Act, 1992 and regulations made thereunder
 - b) transactions which are undertaken in accordance with the Securities and Exchange Board of India Act, 1992 and regulations made thereunder 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

8. PRE-CLEARANCE OF TRADES

- i. Any Designated Person intending to deal in the securities of the Company exceeding the threshold limit of 5,000 shares or upto Rs. 7,50,000 (prevailing market value at Stock Exchanges) whichever is less in a calendar month, will have to make.
 - a) An application to the Compliance Officer for pre-clearance of the transaction as per **Annexure - 1**.
 - b) An undertaking in favour of the Company as per **Annexure - 2**.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.
- ii. The transactions should be carried out only after receiving the pre-clearance from the Compliance Officer of the Company as per **Annexure - 3**.
- iii. If the transaction is not carried out within 7 trading days after the approval of pre-clearance is given, the Designated Person must apply for the pre-clearance of the transaction again.
- iv. Such Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer as per **Annexure-4**. In case the transaction is not undertaken, it shall also be intimated to the Compliance officer as per **Annexure-4**.

9. RESTRICTION ON 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 6 months following the prior transaction. 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.

Provided *restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan* and for trades pursuant to exercise of stock options.

The Compliance Officer may, in consultation with, Chairman of the Company, waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. Application by Designated Person to Compliance officer for waiving of such restriction will be made in the prescribed format **Annexure - 5**.

However, no such sale will be permitted when the Trading window is closed.

10. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

i. 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 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 7 (seven) days of such appointment or becoming a promoter **Annexure - 6**.

ii. Continual Disclosure

- a) Every promoter, member of the promoter group, designated person, and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakhs **Annexure - 7**.

The disclosure shall be made within 2 trading days of –

- 1) the receipt of intimation of allotment of shares, or
- 2) the acquisition or sale of shares or voting rights, as the case may be.

- b) The 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 specified in clause 9(ii)(a).

- c) The Company may at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company to monitor compliance with this code as per **Annexure – 8**
- d) The Designated Person of the Company shall submit to the Compliance Officer an annual statement as per **Annexure – 9** within 30 days from the end of the financial year, giving following details –
- 1) transactions during the financial year (including transactions of immediate relatives) in securities whether pre-clearance of trades was obtained or not
 - 2) holdings (including holdings of immediate relatives) of such person at the end of the financial year
 - 3) 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 changes

- immediate relatives
- persons with whom such designated person(s) shares a material financial relationship Phone, mobile and cell numbers which are used by them

The Designated person shall provide the names of educational institutions from which designated persons have graduated and names of their past employers to the Company, on a one time basis.

11. PROTECTION TO EMPLOYEES

- i. Any employee can voluntarily submit to SEBI 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 Chapter IIIA of the Regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward;
- ii. The Company shall ensure suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Regulations, by reason of –
 - a) filing a Voluntary Information Disclosure Form under Chapter IIIA of the Regulations;
 - b) testifying in, participating in, or otherwise assisting or aiding SEBI 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 SEBI; 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 SEBI in any manner.
- iii. The term "Employee" under this Clause 12 means any individual who during employment may become privy to information relating to violation of the Regulations and files a Voluntary Information Disclosure Form under the Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.
- iv. The Employee shall not be compelled to establish that-
 - a) SEBI has taken up any enforcement action in furtherance of information provided by such person; or
 - b) the information provided fulfils the criteria of being considered as an Original Information under the Regulations.

12. OTHER PROVISIONS

- i. The Compliance officer shall maintain records of all the disclosure made under this code by the directors / officers / Designated Persons for a minimum period of five years.
- ii. The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- iii. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.
- iv. The Company shall make endeavor to ensure that the gap between approval of accounts in Audit Committee and the Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information
- v. The Company shall have a process for how and when people are brought 'inside' on sensitive transactions and should made every Individual aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.
- vi. Any leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information can be reported under the Whistle Blower Policy duly approved by the Board of Directors.

In case of becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the Company shall initiate appropriate inquiries as per the procedure and framework laid down under the Whistle Blower Policy and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

13. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT

- i. Every Insider/Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/ her immediate relative).
- ii. Any Insider/Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code maybe penalised and appropriate action may be taken by the Company.
- iii. Any Insider/Designated Person who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, ineligibility for future participation in any employee stock option plan, etc. Any amount collected under this clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund (IEPF) administered by the SEBI.

-
- iv. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

14. INFORMATION TO STOCK EXCHANGES IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In case it is observed by the Company that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 in relation to securities of the Company, the same shall be immediately intimated to Stock Exchanges in the form prescribed by SEBI.

Acknowledgement

I have read this Code and understand the standards and provisions contained in the code. I am responsible to comply with the Code.

Signature_____

Name_____

Designation_____

Dated_____

ANNEXURE -1

APPLICATION FOR PRE – CLEARANCE

To
The Compliance Officer,
Ester Industries Limited
Gurgaon

Dear Sir,

Subject: Application for Pre- Clearance

Name of Designated Person	
Designation/office/Relationship with the Company	
Level (in case of employee only)	
Employee Code (in case of employee only)	
Location of office (in case of employee only)	
Approval Seeking for	<input type="checkbox"/> Self <input type="checkbox"/> Immediate relative

With reference to the Code of Conduct for Prevention of Insider Trading of the Company, I seek your approval to purchase / sell the equity shares of the Company. The details of present holding and proposed transaction are as follows:

Name of Shareholder*	No. of Shares held	Folio No./ DP ID and Client ID	Details of Depository Participant where Demat A/c is maintained	Nature of Transaction (Purchase/ Sell)	No of shares to be dealt

*If shareholder is immediate relative of Designated Person/ connected person, also specify the relation of the shareholder with such Designated person/connected person.

I enclose herewith the form of Undertaking signed by me.

(Signature of Designated person/connected person)

Date:

ANNEXURE - 2

UNDERTAKING FOR APPLICATION FOR PRE – CLEARANCE

To

The Compliance Officer

Ester Industries Limited

Gurgaon

Dear Sir,

Subject: Undertaking for Pre-clearance of dealing in shares

I,....., (Name and designation/office of the person) of the Company hereby undertake that –

1. I have not made any opposite transaction within previous 6 months from the date of the proposed transaction
2. I have no access or have not received “Unpublished Price Sensitive Information” upto the time of signing the undertaking.
3. In case, I access to or receive any Unpublished Price Sensitive Information after signing this Undertaking but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would completely refrain from dealing in the Securities of the Company till the time such Price Sensitive Information becomes public.
4. I have not contravened the Code as notified by the Company from time to time.
5. I have made full and true disclosure in the matter.

Yours faithfully,

(Signature of Designated Person/Connected Person)

Date:

PRE-DEALING APPROVAL/DISAPPROVAL LETTER

Date: _____

Approval No: _____

To,

Mr. /Mrs. _____

Employee Code No. : _____

Designation: _____

PRE-DEALING APPROVAL/DISAPPROVAL

YOUR APPLICATION FOR SHARE DATED.....

Dear Mr. /Mrs. _____

With reference to your above application seeking approval for undertaking certain transactions in Securities of the Company detailed therein, please be informed that you are hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid for 7 trading days from the issue of such approval i.e. till _____

If you do not execute the approved transaction /deal on or before this date you would have to apply for fresh pre-dealing approval before the execution of the transaction.

Yours faithfully

Compliance Officer

Ester Industries Limited

ANNEXURE-4

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

To
The Compliance Officer
Ester Industries Limited
Plot No. 11, Block-A, Infocity-I, Sector-34
Gurgaon, Haryana

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company due to the following reason –

-
- have bought / sold/ subscribed to _____ securities as mentioned below -

Date of transactions	Name of Shareholder	No. of Shares	DP ID/Client ID / Folio No	Price (Rs.)

In connect ion 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 submit ted in case of demat transactions).
4. Copy of Delivery instruct ion slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months.

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).

Date : _____ Signature : _____

Name :

Designation:

ANNEXURE-5

To
The Compliance Officer
Ester Industries Limited
Plot No. 11, Block-A, Infocity-I, Sector-34
Gurgaon, Haryana

Dear Sir,

Folio No. _____ / **D.P.ID. No.** _____ **Client I.D.No.** _____

Sub: Waiver of minimum holding period

I/my immediate relative (state name & relation) had purchased Company's shares vide preclearance dated _____, on _____ (date of completion of deal).

On account of below stated reason I wish to sell these shares within the minimum holding period as prescribed in Clause 7 of the Code –

Your approval is solicited.

Thanking you,

Yours truly

Signature

Name

Designation

Date

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, CIN/DIN & Address with contact nos.	PAN, with	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		% Shareholding of
				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		
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 C

SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2)

read with Regulation 6(2) – Continual Disclosure]

Name of the company: _____

ISIN of the company: _____

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

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoter/ member of the promoter group/designated person/ Director s/immediate relative to/others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ disposal of shares, specify		Date of intimation to company	Mode of acquisition /disposal (on market/ public/ rights/ preferential offer/ off market/ Inter-se transfer, ESOPs, etc.)	Exchange on which the trade was executed
		Type of securities (Foreg. – Shares Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of share holding	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 share holding	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 Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

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	

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

SEBI (Prohibition of Insider Trading) Regulations, 2015

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

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

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connect ion with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ disposal of shares specify		Date of intimation to company	Mode of acquisition/ disposal (on market/ public/ rights/ Preferential offer / off market/ Inter-se transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of securities (For eg. – 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 share holding	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	

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

Name & Signature:

Designation:

Date:

Place:

ANNUAL DISCLOSURE

To,
The Compliance Officer
Ester Industries Limited

Dear Sir,

ANNUAL DISCLOSURE for the year ended on _____

A. Transactions made during the year

I along with my immediate relatives* during the year ended on _____ have made the following transaction in the Equity Shares of the Company -

Name of Shareholder**	Folio No./DP Id and Client ID	Nature of Transactions	Date of Transaction	Quantity of Shares dealt	Preclearance approval details if taken

B. Statement of Shareholdings in the Company

I along with my immediate relatives hold the Securities of the Company, details whereof are as under:

Name of the Shareholder **	Ledger Folio no/DP ID and Client ID	Holdings in shares

"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.

**If shareholder is immediate relative of Designated Person, also specify the relation of the shareholder with such Designated Person.

C. Details required under Clause 8 (ii)(d) of Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

S. No.	Name of Immediate relative	PAN or any other identifier authorized by law	Phone, mobile and cell numbers which are used by them
S. No.	Name of person with whom Designated Person shares a material financial relationship #	PAN or any other identifier authorized by law	Phone, mobile and cell numbers which are used by them

#“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 shall exclude relationships in which the payment is based on arm’s length transactions.

D. Details of Education Institution and Past Employers (one time disclosure)

Name of Education Institution from which Designated Person have graduated	Name of Past Employers

Signature: _____

Name and Employee code (if any): _____

Designation/office _____

Department _____

Date _____