

TALBROS AUTOMOTIVE COMPONENTS LIMITED

CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

(As amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and effective from 1st April, 2019)

INTRODUCTION

Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 mandates every listed Company to formulate a code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with the said regulations. The said regulations came into force from 15th May, 2015 and have been amended by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. 1st April, 2019.

Trading in Company's shares by insiders while in possession of unpublished price sensitive information, i.e. information that is not generally available to the public can materially impact the price of its securities and is known as 'insider trading'. The Company endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Every designated person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the company. No designated person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, Talbros Automotive Components Limited ("Company") has adopted this Code of Conduct for Regulating, Monitoring and Reporting of Trading (**Code**) by designated persons and their immediate relatives.

1. Definitions

1.1 "**Act**" means the Securities and Exchange Board of India Act, 1992.

1.2 "**Company**" means Talbros Automotive Components Limited.

1.3 "**Compliance Officer**" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

1.4 "**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 of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

1.5 **“Closed Window Period”** in relation to a trading window means:

- (i) the period from the end of financial year upto the date of announcement of the unaudited and/or audited annual results and 48 hours thereafter, and
- (ii) the period from the end of each quarter upto the date of the announcement of unaudited quarterly results and 48 hours thereafter,
- (iii) the period which the Compliance Officer determines that a person or a class of designated persons can reasonably be expected to have possession of the unpublished price sensitive information.

When the trading window is closed, the Designated Persons and their immediate relatives, as defined in Clause 1.9 of this Code, shall not trade in the Company’s securities during such period.

However, the trading window restrictions shall not apply in respect of:

- i) transactions specifies 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 respective regulations made by the Board.
- ii) transactions which are undertaken in accordance with respective regulations made by the Board 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 or delisting offer.

The time of re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

1.6 **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

1.7 **Designated Person(s)** shall include:

- i) every promoter of the Company,
- ii) all members of the Board of Directors of the Company;
- iii) and Key Managerial Personnel of the Company (viz. CFO, CS and CEO, if any)
- iv) identified employees in the finance, accounts and secretarial department, as may be determined and informed by the Compliance Officer;
- v) any other employee/person as may be determined and informed by the Compliance Officer from time to time.
- vi) Immediate relatives of Sl. No. (i) to (v) above.

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

1.9 **“Immediate Relative”** means a spouse of a person and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

1.10 **“Insider”** means any person who is:

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

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

1.12 **"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:

1.13 **"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 Board, 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 under the Companies Act, 2013;

1.14 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

1.15 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

For the avoidance of any doubt(s), dealing on behalf of designated persons or between designated persons or off-market dealings or transfers without consideration shall also be construed as trading for the purpose of this Code.

1.16 **"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, 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, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and

1. 17 **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

2. Restrictions on communication and trading by Designated Persons

2.1 Designated Persons of the Company (TACL) should not deal in Company's securities at any time when they are in possession of any unpublished price sensitive information. Employees must also maintain confidentiality of all unpublished price sensitive information and must not pass such information to any person either directly or indirectly except for legitimate purposes and strictly on a need to know basis.

2.2 The Board of Directors of the Company have formulated a "Code of Practices and Procedures for Fair Disclosure of Un-published Price Sensitive Information" and a "Policy for Determination of Legitimate Purposes" in compliance with the provisions of Regulation 8(1) and Regulation 3(2A) respectively of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to adhere to the principles as set out in Schedule A to the regulations. The said Code of practices and procedures and the policy is available on the website of the Company at <https://www.talbro.com/>

- 2.3 Designated Persons ought to note that it is a criminal offence to deal in the securities of any Company, directly or indirectly, when in possession of any unpublished price sensitive information in relation to such securities.

3. Additional Restrictions on Designated Persons

- 3.1 In addition to the restrictions imposed at Clause 2 above, this clause also places additional restrictions on the designated persons from trading or otherwise dealing in securities of the Company.

The designated persons to whom this Code applies should:

- i) not deal in the securities of the Company during the closed window period;
- ii) always seek pre-clearance for trading in securities of the Company if the proposed trade is above 10000 shares or upto Rs. 10 lakhs (Market Value), whichever is less; in a quarter as per the procedure for seeking pre-clearance set out in Clause 5 of this Code.
- iii) not deal in securities of the Company based on short-term considerations. The said securities shall not be sold by the designated persons within six (6) months of last purchase and any purchase should not be made within six (6) months of last sale. The Compliance Officer may waive off the holding period in case of sale of securities after recording reasons in writing for the same provided that such relaxation does not violate the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In case of the compliance officer, such relaxation shall require approval of the Chairman/ Vice Chairman and Managing Director. However, this provision shall not be applicable for trades entered pursuant to exercise of stock options.

In case any contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

- 3.2 However, the designated persons will be permitted to exercise the stock options, if any; granted to them including the time when the trading restrictions are in force. However, sale of the securities allotted on the exercise of the stock option shall not be allowed when the trading window is closed.
- 3.3 The Company does not encourage the designated persons to deal in derivatives related to securities of the Company at any time due to the speculative nature of such instruments. However, if a designated person decides to trade in derivatives, he/she will be under an obligation to comply with this Code with respect to obtaining pre-clearance for such transaction and the disclosure requirements on completion of the transaction.

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.

However, an insider may prove his/her innocence in the manner as prescribed under Regulation 4 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

4. Formulation of Trading Plan

This provision intends to give an option to the persons who may perpetually be in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner. This provision enables the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he/she had pre-decided even before the unpublished price sensitive information came into being.

4.1 Trading Plan

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/her behalf in accordance with such plan.

4.2 Such trading plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) not entail trading in securities for market abuse.

4.3 The Compliance Officer shall consider and review the Trading Plan made as above to assess whether the plan would have any potential for violation of SEBI 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.

However, it is further clarified that:

- a) pre-clearance of trades shall not be required for trade executed as per an approved trading plan,
- b) trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

4.4 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced if any unpublished prices 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 and in such event the compliance officer shall confirm the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

4.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which Company's securities are listed.

5. Pre-clearance of trades

5.1 Pre-clearance must be obtained in advance for all dealings or trading in Company's securities by designated persons when the trading window is open, if the proposed trade is above 10000 shares OR upto Rs. 10 lakhs (Market Value), whichever is less, in a quarter. However, no designated

person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is open and hence he shall not be allowed to trade. Such pre-clearance shall be granted in following manner:

Application by	Pre-clearance to be granted by
Designated persons	Compliance Officer (Company Secretary)
Company Secretary	Chairman / Vice-Chairman and Managing Director

5.2 The pre-clearance procedure shall be as under:

- i) The form to obtain clearance as set out in **Annexure 1** of this Code should be forwarded to the Secretarial Department duly completed for review and approval indicating the estimated number of securities proposed to be dealt in, details of the depository with which he/she has a depository account, the details as to the securities in such depository mode and such other information as may be required by any rule made by the Company in this behalf supported by an undertaking as set out in **Annexure 2**, incorporating the following clauses;
 - a) that the designated person is not in possession of or otherwise privy to any unpublished price sensitive information upto the time of signing of the undertaking,
 - b) that in case the designated person has access to or receives any unpublished price sensitive information after the signing of the undertaking but before the execution of the transaction, the same shall be informed to the appropriate authority of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public,
 - c) that the designated person has not contravened the Code of conduct for prevention of insider trading as notified by the Company from time to time,
 - d) that the designated person has made full and true disclosure in the matter,
- (ii) All Designated Persons and their immediate relatives shall execute their order in respect of securities of the Company within 7 trading days after the approval of pre-clearance is given in prescribed form as set out in **Annexure 3**. The Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed in the prescribed form as set out in **Annexure 4**.
- (iii) If the order is not executed within seven trading days after the approval is given, the employee/director must pre-clear the transaction again.

5.3 Pre-clearance to deal in securities of the Company shall not be granted during any of following periods:

- i) closed window period,
- ii) at the time of:
 - a) intended declaration of dividend (interim as well as final);
 - b) issue of securities or buyback of securities;
 - c) any major expansion plans or execution of new projects;
 - d) amalgamations, mergers or takeovers;
 - e) disposal of undertakings;
 - f) any significant changes in the policies, plans or operations of the Company.

5.4 Pre-clearance shall not be granted when the applicant is aware /expected to be aware of one or more of the events mentioned in point (ii) above, due to his/her involvement in the proposed transaction or has been notified to the Compliance Officer to such effect, even though complete details may not have been disclosed to him/her on the principle of “need to know” basis.

- 5.5 Pre-clearance shall not be granted for any proposed transaction which, in the opinion of the Compliance Officer would be in breach of this Code or the SEBI regulations for the time being in force.
- 5.6 Persons to whom this Code applies must keep confidential the fact that they are intending to deal or that they have applied for pre-clearance to deal or the pre-clearance is granted/refused by the appropriate authority under the Code.

6. Dealings by Designated Persons and Immediate Relatives

- 6.1 A designated person must, so far as is consistent with his/her duties of confidentiality to the Company seek to prohibit any dealing in securities of the Company by his immediate relatives or acquaintances at a time when the designated person would be prohibited from trading in securities of the Company under this Code.
- 6.2 Designated persons must advise all connected persons/ immediate relatives (who are also deemed insiders under this Code):
- i) of the fact that they are covered by this Code and that this Code applies to them;
 - ii) of the closed window periods during which they should not deal in securities of the Company;
 - iii) of any other periods when the designated employee knows that he/she himself/herself is not free to deal in the securities of the Company under the provisions of this Code, unless his/her duty of confidentiality to the Company prohibits him/her from disclosing such periods;
 - iv) that they must intimate him/her immediately after they have dealt in the securities of the Company.

Designated persons must also take reasonable steps to prevent any dealings by or on behalf of the connected persons/ immediate relatives in securities of the Company on considerations of a short-term nature.

7. Designated persons acting as Trustee

When a designated person acts as a trustee, the provisions of this Code will normally still apply as if he/she is also a beneficiary. This may not be the case if either he/she is only a nominee trustee without any discretion of his/her own or if his/her co-trustees act completely independently of the said designated person.

8. Role of Compliance Officer

- 8.1 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, if any, 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.
- 8.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

9. Preservation of "Unpublished Price Sensitive Information"

- 9.1 No insider in relation to the Company shall communicate, provide or allow access to any unpublished price sensitive information, relating to the Company's securities, listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate

purposes, performance of duties or discharge of legal obligations.

- 9.2 No insider in relation to the Company shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company's securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 9.3 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 insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.
- 9.4 Any person in receipt of unpublished price sensitive information pursuant to a 'legitimate purpose' shall be considered as "insider" and notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information by the Compliance Officer.
- 9.5 For the purposes of this clause, 'need-to-know' basis will mean:
- a) Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their role and perform their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
 - b) All non-public information directly received by any employee should immediately be reported to the Compliance Officer.
- 9.6 The Company shall enter the details of the person or entity with who Unpublished Price Sensitive Information is shared under this part in a digital database.
- 9.7 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

"Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails an obligation to make an open offer under takeover regulation & related issues as mentioned in the SEBI regulations."

10. Reporting requirements for transactions in securities

10.1 Initial Disclosures

Every Promoter, member of the Promoter Group, Key Managerial Personnel, and Director of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of their Immediate Relatives in the prescribed **Form A** as set out in **Annexure 5**.

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 seven days of such appointment or becoming a promoter in the prescribed **Form B** as set out in **Annexure 6**.

10.2 Continual Disclosures

Every promoter, member of the promoter group, designated person and director of the Company shall disclose to the Company in the prescribed **Form C** as set out in **Annexure 7**, the number of such securities acquired or disposed of within two trading days of such transaction if the value of the

securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten lakhs.

The disclosure shall be made within 2 working days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be

Every promoter, member of the promoter group, Key Managerial Personnel, Director and Designated Employee of the Company shall disclose annual statements of their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the securities of the Company to the Compliance Officer as on 31st March every year in the prescribed form as set out in **Annexure 8** or as may be prescribed by the Compliance Officer from time to time within 7 days from the closure of the financial year.

10.3 Disclosure by other connected persons

The Company, at its discretion may require other connected persons or class of connected persons to make disclosures in the prescribed form, as set out in **Annexure 9**, of holdings and trading in securities of the Company in such frequency as may be determined by the Company in order to monitor compliance with these regulations.

10.4 Additional disclosure by Designated Persons

The designated persons shall be required to disclose the names and Permanent Account Number (PAN) or any other identifier authorized by law for the following persons to the Company on an annual basis and as and when the information changes in the prescribed form as set out in **Annexure 10**:

- a) immediate relatives
- b) phone, mobile and cell numbers which are used by them

In addition to the above, the name of the 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 during the immediately preceding twelve months, equivalent to 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

11. Disclosure by the Company to the Stock Exchange(s)

- 11.1 Within 2 days of the receipt of intimation under Clause 10.2, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
- 11.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

12. Reporting to the Board

A report of the dealings in securities of the Company by or on behalf of any Non-Executive Director or a Designated Person shall be circulated to the members of the Board of Directors of the Company at least once in a year or more frequently if so stipulated by the Board, or if the Compliance Officer so considers it

necessary.

13. Non-compliance of this code

- i) In respect of any non-compliance of this Code or the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall report to the Board and in particular, shall provide reports to the Chairman of the Board at least once every year, or more frequently if so stipulated by the Board, or if the Compliance Officer so considers it necessary.
- ii) In addition to the above, the Audit Committee shall review compliance with various provisions of the Code and the SEBI Regulations at least once in a financial year and shall verify that the systems for internal controls which are required to be maintained as per these Regulations are adequate and are operating effectively.
- iii) The Company shall initiate appropriate enquiries on becoming aware of the leak of Unpublished Price Sensitive Information in accordance with the policy formulated by the Board of Directors of the Company and inform The Securities and Exchange Board of India (SEBI) promptly of such leaks, inquiries and results of such inquiries.
- iv) In case it is observed by the Company that there has been a violation of the Code or the SEBI (Prohibition of Insider Trading) Regulations, 2015, Company shall promptly inform SEBI of such violation in format as set out in **Annexure 11**.

14. Penalty for contravention of the code of conduct

- 14.1 Every Designated Person shall be individually responsible for complying with provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- 14.2 Any Designated Person who trades in securities or communicates any information for trading in the securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.
- 14.3 Designated Persons who violate the Code shall also be subject to sanctions and disciplinary actions by the Company, which may include wage freeze, suspension, recovery, clawback etc.
- 14.4 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.

15. Share Dealing Code Compliance Committee

There shall be a Committee called the Share Dealing Code Compliance Committee comprising of the Joint Managing Director, Director & Group Chief Financial Officer, Chief Financial Officer and Company Secretary ("Committee"). The Committee will concern itself with the establishment and maintenance of disclosures, control of Unpublished Price Sensitive Information alongwith a suitable procedure, protocol for sharing information which is for legitimate purposes and which is in the best interests of the Company and also with appropriateness of the disclosures. The Committee shall also decide the suitable actions under clause 15 of this Code for any breach of the Code. Further, such Committee will also concern itself with any leak/suspected leak of unpublished price sensitive information and inquiries as laid out in the Policy on Procedures to be adopted for Inquiry in the event of Leak/Suspected Leak of Unpublished Price Sensitive Information and the said Policy is set out in **Annexure 12**.

16. Institutional Mechanism for Prevention of Insider Trading

In compliance with the requirements of Regulation 9A of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has put in place adequate and effective system of internal controls which, inter alia, include the following:

- a) Identification of employees' who have access to unpublished price sensitive information as designated employee;
- b) Identification of all the unpublished price sensitive information and maintaining its confidentiality as required under the above-mentioned Regulations;
- c) Placing of adequate restrictions on communication or procurement of unpublished price sensitive information as required under the above-mentioned Regulations;
- d) Maintenance of lists of all employees and other persons with whom unpublished price sensitive information is shared and signing of confidentiality agreements/serving of notices to all such employees or persons;
- e) Ensuring compliance with all the specified requirements under the above-mentioned Regulations;
- f) Periodic process review to evaluate the effectiveness of the internal controls as stated above.

The Board of Directors of the Company shall ensure compliance with the said regulations and the Audit Committee of the Company shall review compliance with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

17. Role of Compliance Officer

- 17.1 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, if any, 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.
- 17.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

18. General

A copy of the said Regulations and this Code is available with the Company Secretary, who has been designated as the compliance officer for administering the of conduct and other requirements under these regulations. All designated persons and their immediate relatives are advised to acquaint themselves with respect to their roles and obligations under this Code and the Regulations.

ANNEXURE 1

TALBROS AUTOMOTIVE COMPONENTS LIMITED
PRE-CLEARANCE FORM
(APPLICATION TO DEAL IN SHARES)

Date:

To,
The Compliance Officer,
Talbros Automotive Components Limited,
14/1, Delhi Mathura Road
Faridabad- 121003, Haryana

Dear Sir/Madam,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Company's Code of Conduct for Prevention of Insider Trading, I hereby give notice that I propose to carry out the following transaction:

Transaction in name of	
Relation	
PAN	
DP ID/Client ID/Folio No.	
Type of transaction	
Type of Securities	
Proposed date of dealing in securities	
Estimated number of securities proposed to be acquired	
Whether the proposed transaction will be through Stock Exchange or off-market deal	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)

ANNEXURE 2

UNDERTAKING (TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE)

To,
Talbro's Automotive Components Limited,
14/1, Delhi Mathura Road
Faridabad- 121003, Haryana

I, _____, _____ of the Company residing at _____, am desirous of dealing in _____ shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I hereby undertake and confirm that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code)) up to the time of signing this Undertaking.

I further confirm that in case I access to or received any Price Sensitive Information after signing of this undertaking but before the execution of this transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the Company until such information becomes public.

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

I undertake to submit the necessary report within 2 days of execution of the transaction/ a 'Nil' report if the transaction is not undertaken.

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

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

Yours faithfully,

(Signature of Employee)

Name:

Designation:

FORMAT FOR PRE- CLEARANCE ORDER

To,

Name : _____
Designation : _____
Place : _____

This is to inform you that your request for dealing in _____ (nos) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 trading days from today.

In case you do not execute the approved transaction/ deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/ deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/ deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Note: Attention is drawn towards Clause 3(iii) of this Code which restricts dealing in securities of the Company based on short-term considerations. Accordingly, no contra trade is permitted in respect of the securities dealt with pursuant to this order within a period of six (6) months from the date of dealing in such securities.

Yours faithfully,

For Talbros Automotive Components Limited

COMPLIANCE OFFICER

Date: _____

Encl: Format for submission of details of transaction

FORMAT FOR DISCLOSURE OF TRANSACTIONS

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

Date:

To,
The Compliance Officer,
Talbro's Automotive Components Limited,
14/1, Delhi Mathura Road,
Faridabad, Haryana- 121003

I hereby inform that I

- have bought/sold/subscribed to _____ shares of the Company in the period from _____, 2019 to _____, 2019 through open market.

OR

- have not bought / sold/ subscribed any securities of the Company

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

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

Yours faithfully,

(Signature of Employee)

Name :

Designation:

FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (a) read with Regulation 6 (2) - Initial disclosure to the company]

Name of the company: _____

ISIN of the company: _____

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Details		Category of Person (Promoters/ KMP /Directors/immediate relative to/others etc)	Securities held as on the date of regulation coming into force (No. of Equity shares held)	% of Shareholding
Name				
PAN				
CIN/DIN				
Address with contact nos.				
1		2	3	4

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

Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
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
6	7	8	9	10	11

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

Name & Signature:
 Designation:
 Date:
 Place:

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		% 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 (For eg. – 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:

ANNUAL DISCLOSURE

Date:

To,
 The Compliance Officer,
 Talbros Automotive Components Limited, 14/1,
 Delhi Mathura Road,
 Faridabad, Haryana- 121003

Name:

Employee Id No.

Designation:

Unit/Location:

Mobile No.

PAN:

Details of Transactions		
Self:		
Particulars/ Type of Transaction	Number of shares(including derivatives)	Date of Pre-clearance
As on 1 st April ____		
As on 31 st March__		
Immediate Relatives		
Particulars/ Type of Transaction	Number of shares(including derivatives)	Date of Pre-clearance
As on 1 st April ____ (Previous Year)		
As on 31 st March__ (Current Year)		

Signature: _____

FORM D (Indicative format)**SEBI (Prohibition of Insider Trading) Regulations, 2015****Regulation 7(3) – Transactions by Other connected persons as identified by the company****Details of trading in securities by other connected persons as identified by the company**

Name, PAN, CIN/DIN, & address with contact nos. of 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	22

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

Name:

Signature:

Place:

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 9(1) and Clause 14 of Schedule B - Disclosure by Designated Persons]

Name of the Company: **Talbros Automotive Components Limited**

ISIN of the Company: **INE187D01011**

i) to be disclosed on annual basis and on changes in information last disclosed:

Sl.	Name	Nature of Relationship	PAN/Other Authorized Identifier	Phone No.	Mobile/ Cell No.
		Immediate relative/ Person with whom material financial relationship is shared			

ii) to be disclosed on one time basis

Name	Educational Institute (from where graduated)	Name(s) of past employers

The terms “immediate relative” and “material financial relationship” shall have the meanings prescribed under Regulation 2(1) (f) and explanation to Clause 14 of Schedule B to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 respectively.

Name and Signature:

Designation:

Date:

Place:

**REPORT BY TALBROS AUTOMOTIVE COMPONENTS LIMITED FOR VIOLATIONS
RELATED TO CODE OF CONDUCT UNDER SEBI (PROHIBITION OF INSIDER TRADING)
REGULATIONS, 2015**

[Pursuant to Schedule B read with Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Sr. No	Particulars	Details
1.	Name of the listed company	
2.	<i>Please tick appropriate checkbox</i> Reporting in capacity of: <input type="radio"/> Listed Company <input type="radio"/> Intermediary <input type="radio"/> Fiduciary	
3.	Name of the Designated Person (DP) Name of the immediate relative of DP if reporting is for immediate relative	
4.	PAN of the DP PAN of the immediate relative of DP if reporting is for immediate relative	
5.	Designation of DP	
6.	Functional Role of DP	
7.	Whether DP is Promoter/Promoter Group/holding CXO level position (e.g. CEO, CFO, CTO etc.	
8.	Transaction details	
	a) Name of the scrip	
	b) No. of shares traded (which includes pledge) and value (Rs.) (Date-wise)	
9.	In case value of trade(s) is more than Rs. 10 lacs in a calendar quarter – a) Date of intimation of trade(s) by concerned DP/director/promoter/promoter group to Company under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015	
	b) Date of intimation of trade(s) by Company to stock exchanges under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015	
10.	Details of violations observed under SEBI(Prohibition of Insider Trading) Regulations, 2015	
11.	Action taken by listed company / Intermediary / Fiduciary	

12.	Reasons recorded in writing for taking action stated above	
13.	Details of the previous instances of violations, if any, since last financial year	
14.	Any other relevant information	

Yours faithfully,

Name and signature of Compliance Officer

PAN:

Email id:

Mobile Number:

Date and Place:

ANNEXURE 12

POLICY ON PROCEDURES TO BE ADOPTED FOR INQUIRY IN THE EVENT OF LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to sub-regulation 5 of Regulation 9A of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015)]

INTRODUCTION

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of Talbros Automotive Components Limited has formulated this policy to put in place a framework for procedure of inquiry in case of leak of Unpublished Price Sensitive Information (hereinafter referred to as “Policy”).

DEFINITIONS

“Chief Investor Relations Officer” shall mean the Compliance officer appointed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

For the purpose of this Policy, unless the context otherwise requires, words and expressions used and not defined herein shall have the meanings assigned to them under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

DUTIES OF THE CHIEF INVESTOR RELATIONS OFFICER (CIO)

The CIO shall be responsible for the following:

1. Oversee the compliance of this Policy.
2. To report the incident of leak or suspected leak of information to the Securities and Exchange Board of India (SEBI) and the Stock Exchange(s) where the securities of the Company are listed.
3. To co-ordinate with and disclose the relevant facts of the incident of the leak/suspected leak of the Unpublished Price Sensitive Information to the Enquiry Committee.

ENQUIRY COMMITTEE

Board of Directors of the Company shall constitute a committee to be called as “Enquiry Committee”. The Enquiry Committee shall consist of minimum 4 (four) Members which shall include Mr. Anuj Talwar, Joint Managing Director, Mr. Navin Juneja, Director & Group CFO, Mr. Manish Khanna, Chief Financial Officer and Mrs. Seema Narang, Company Secretary and any other officer of the Company as may be mutually decided by the members of the Committee. The Enquiry Committee shall be responsible for:

- i) dealing with any leak/suspected leak of Unpublished Price Sensitive Information.
- ii) conducting enquiries as laid out in this Policy in case of such leaks/suspected leaks and inform the Securities and Exchange Board of India of such leaks, enquiries and the results of such enquiries to ascertain the correct factual position.

- iii) collection of necessary support material to arrive at the correct conclusion
- iv) deciding the disciplinary/pecuniary action in case actual leak of unpublished price sensitive information is proven.

QUORUM FOR ENQUIRY COMMITTEE PROCEEDINGS

While conducting an enquiry, a minimum of three members of the Enquiry Committee shall be present. The Committee may designate additional persons or third parties to also attend and participate in an enquiry conducted by the Committee. If a minimum of three members of the Committee are not present or not available, or any member of the Committee is under investigation, then the Board shall have the power to nominate alternate member(s) in place of the member who is not available or cannot be present to conduct the enquiry.

PROCEDURE FOR ENQUIRY IN CASE OF LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- a) Upon receipt of information or upon becoming aware of a leak/suspected leak of unpublished price sensitive information, the Enquiry Committee shall send details of the information to be sought to the head of the department viz., finance, secretarial etc., which had access to the unpublished price sensitive information or to which such information is related ("Relevant Person"). The indicative list of questions and information to be sought from the Relevant Person are given as an Annexure to the policy.
- b) The Enquiry Committee shall appoint external advisers as consultants as may be necessary to assist them in the enquiry.
- c) The Enquiry Committee shall separately obtain from the IT department all emails and records of the relevant persons in the department where the leak could have originated.
- d) The Relevant person shall file its reply to the information sought by the Enquiry Committee, along with the list of documents, names and addresses of persons with whom the information was shared etc., within the period stipulated by the Enquiry Committee.
- e) The Enquiry Committee shall also call for a meeting with the Relevant Person and shall make the transcripts or records of proceedings of such meetings. The Committee shall ensure that requisite information and documentation is made available to the Board of Directors of the Company.
- f) Such enquiry shall be completed by the Committee in a timely manner and the required steps/action shall be taken in conformity with the Code of the Company and the Securities and Exchange Board of India (SEBI) for the time being in force.
- g) During the pendency of the enquiry proceedings, the Enquiry Committee may restrain the Relevant Person from accessing the documents/emails, from which the Enquiry Committee believes, the leak or suspected leak originated.

POWERS OF THE ENQUIRY COMMITTEE

- a) The Enquiry Committee shall have the powers to summon and enforce the attendance of any person and conduct an examination, request the discovery and production of documents and/or any other matter which may be prescribed and deemed necessary for the enquiry process.
- b) Any refusal by any employee of the Company to attend the enquiry proceedings when summoned or to provide to the Enquiry Committee and documents and/or information within his/her power or possession shall constitute misconduct, rendering such employee for adverse action as the Enquiry Committee or the Board of Directors of the Company deems fit.
- c) The Enquiry Committee may suo moto call for the details of any leak/suspected leak of unpublished price sensitive information or on receipt of any such information, may investigate or deal with such matter per this

policy. The Committee may seek information from the IT department for details of the persons accessing personal email id from office computers, from where the unpublished price sensitive information may have been leaked.

- d) The Enquiry Committee shall have the right to terminate the enquiry proceedings or to give an ex-parte decision on the Relevant Person, if the Relevant Person fails, without sufficient cause, to present themselves, for any meeting convened by the Enquiry Committee.

AMENDMENTS

The Board of Directors of the Company is authorised to make such alterations to this Policy from time to time as considered appropriate, such to applicable laws, rules and regulations for the time being in force.

The provisions of this Policy are to be read along with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, including any amendment(s) thereto and if there is any inconsistency between the two, the provisions of the said regulations shall prevail over this Policy.

ANNEXURE 12.1

The indicative list of questions and information to be sought from the Relevant Person are as under:

- a) Relevant Person to provide the details of the documents/files/information shared with different team members and also provide details of the medium through which such information was shared i.e., email, common access controlled shared folders, password protected files, etc.
- b) Relevant Person to provide a detailed timeline from which it was made aware of the unpublished price sensitive information till the date of receipt of notice of information sought from the Enquiry Committee.
- c) Relevant Person to evaluate role of each and every employee including employee from the support function who were part of the meetings in which unpublished price sensitive information was discussed and whether the Relevant Person noticed any suspicious activity on part of all persons attending these meetings.
- d) Whether the Relevant Person is aware of any activity of a person in its department who may be involved in the said leak of unpublished price sensitive information.
- e) Whether adequate safeguards per existing procedures were undertaken by the Relevant Person while dealing with unpublished price sensitive information.
- f) Whether access to the room where the documents in relation to unpublished price sensitive information was stores, was given to a limited set of authorised personnel.
- g) Whether the documents in relation to unpublished price sensitive information were disposed of in a proper manner.
- h) Whether access to the internet/USB drive was provided on computers on which the sensitive data regarding unpublished price sensitive information was stored.