IMPAL Code of Conduct for Prohibition of Insider Trading

Formulated as per sub-regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 read with Schedules thereof

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The Company has adopted this code of conduct to regulate, monitor and report trading by the Designated Persons along with their Immediate Relative as defined in this Code ("Code") to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).

The Code shall be applicable to Designated Person and Immediate Relative of Designated Person as defined in this code.

(I) DEFINITIONS:

1. **"Compliance officer":** The Compliance Officer designated by the Board from time to time for implementing the regulations under the Code.

2. **"Connected person"** means 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

   Without prejudice to the generality of the foregoing, the persons enumerated below shall be deemed to be Connected Persons unless the contrary is established –

   1. A relative of connected persons as specified above;
   2. A holding company, associate company or subsidiary company;
   3. An intermediary as specified in Section 12 of the Act or an employee or director thereof;

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4. An investment company, trustee company, asset management company or an employee or director thereof;
5. An official of a stock exchange or of clearing house or corporation;
6. A member of the board of trustees of a mutual fund, a member of the board of directors of the asset management company of a mutual fund or in each case, an employee thereof;
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;
8. An official or an employee of a self-regulatory organization recognized, or authorized by the SEBI;
9. A banker of the Company; and
10. A concern, firm, trust, Hindu undivided family, company or association of persons wherein a Director of the Company or his Relative or banker of the Company, has more than ten percent of holding or interest.
11. A firm or its partner or its employee in which a connected person as specified is also a partner;
12. A person sharing household or residence with a connected person as specified.

3. **"Designated Persons** "means

(a) All the employees of the Company in the grade of General Manager and above (other than those covered under the definition of "connected persons");

(b) All other officers working in Finance, Accounts, Secretarial Department and IT Department of the Company

(c) All other Heads of Departments not covered in the definition of "connected persons";

(d) Key managerial personnel and other employees in the grade of General Manager and above in the Company as defined under the SEBI (Listing

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Obligations and Disclosure Requirements) Regulations, 2015 (other than those covered under the definition of “connected persons”);

(e) Promoters who are individuals or investment companies for intermediaries and/or fiduciaries, and key managerial personnel and all employees in such intermediaries and/or fiduciaries.

4. **Fiduciaries** means professional firms such as auditors, practicing company secretaries, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc., assisting or advising the Company.

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

   Note: It is intended that the immediate relatives of a “connected person” too become connected persons for purposes of this Code.

6. **Insider** means any person who is:
   (i) a connected person;
   (ii) in possession of or having access to unpublished price sensitive information;

7. **Unpublished price sensitive information (UPSI)** means any information, relating to a Company or its securities, directly or indirectly, that is not generally available public on a non-discriminatory basis, 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;

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(iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;

(v) changes in key managerial personnel; and

(vi) Any other information as the Board thinks fit

8. **Chinese Wall** means all information shall be handled within the organization on a **need-to-know basis** and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

(III) RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

1) No insider, who is in possession of unpublished price sensitive information relating to the Company, shall trade in the securities of the Company.

2) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the company.

3) No person shall procure, or cause any insider to communicate, unpublished price sensitive information relating to the company or its listed or proposed-to-be-listed securities, except for legitimate purposes as specified in the Policy for Determination of Legitimate Purposes forming part of this Code.

(IV) HANDLING OF UPSI

1) Connected persons & designated persons within and outside the organization shall handle all information on a **need-to-know basis** and no UPSI shall be communicated to any person except where such communication is in furtherance of legitimate purposes as laid down in the Policy for Determination of Legitimate Purposes, performance of duties or discharge of his legal obligations.

2) Any leak or suspected leak of UPSI shall be dealt with in accordance with the Policy on Dealing with Leak or Suspected Leak of Unpublished Price Sensitive Information framed by the Company for the said purpose.

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3) Employees of the Company can report instances of leak/suspected leak of UPSI under the Whistle Blower Mechanism laid down by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4) The Board of Directors or head(s) of the organization of all intermediaries, fiduciaries and every other person who is required to handle unpublished price sensitive information relating to the Company in the course of business operations should take appropriate steps to formulate a code of conduct to regulate, monitor and report trading by their designated persons and their immediate relatives.

5) Any breach of the above said obligation will attract disciplinary action as per Clause XI of this code.

(V) EXEMPTIONS

Certain Trades may be exempted even when in possession of UPSI, if it is demonstrated by the persons who undertook the trade that there is no violation of all the provisions of the Code. Some examples are:

a) Off-market inter-se transfer between insiders who are in possession of UPSI and made an informed trade decision.
b) Transactions carried out through the block deal window between persons who are in position of UPSI and made an informed trade decision.
c) Transactions carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
d) Transactions undertaken pursuant to the exercise of stock options in respect of which the exercise price is predetermined in compliance with applicable regulations.
e) Transactions in the case of non-individual insiders where the persons who took the trading decisions were different from the individuals who might have had UPSI in their possession and that the said individuals who were in possession of

the UPSI did not communicate the same to the persons who took the trading decisions and strong evidences are furnished in this regard.

f) The trades were pursuant to a Trading Plan set up as explained in Clause VI below.

(VI) TRADING PLAN

1) An insider shall be entitled to formulate a trading plan 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.

2) The trading plan shall be mandatorily applicable to:
   a. Connected Persons
   b. All members of the Promoter Group;
   c. Directors
   d. Key Managerial Personnel
   e. Senior Management as defined by the Board of Directors i.e.(i) All Officers in the Grade of General Manager and above and (ii) the Heads in charge of Internal Audit Department.
   f. Designated Persons

However, the above persons are exempted from giving the trading plan if they are not in perpetual possession of UPSI.

3) In respect of officers working in Finance and Accounts Departments who have been reckoned as 'designated persons', the Managing Director and Compliance Officer shall be authorized to decide on the applicability of the 'trading plan', after taking into account their grade, position in the hierarchy of the department, nature of work and access to UPSI.

4) Such trading plan shall:
   a) Commence only after 120 days from the public disclosure of the plan;
   b) not entail overlap of any period for which another trading plan is already inexistence;

c) set out either the value of trades to be affected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be affected; and

d) not entail trading in securities for market abuse;

5) 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.

6) There shall not be any UPSI at the time of formulation of the trading plan.

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. The trading plan shall be shall be mandatorily implemented by the insider. In case of non-implementation, the insider the intimate the same to the Compliance officer within two working days of end of tenure of trading plan with reasons thereof.

The Compliance officer shall place the such information before the audit committee in the immediate next meeting and the decision of the audit committee shall be intimated to stock exchange on the same day. 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.

(VII) <u>TRADING WINDOW CLOSURE</u>

1) The trading window shall be closed whenever the compliance officer determines that a connected person, designated person or class of designated persons can reasonably be expected to have possession of UPSI. During this period such persons and/or their immediate relatives shall not deal in Company's securities.

2) The trading window closure period shall be applicable from the end of every quarter till 48 hours after the declaration of financial results.

3) The timing for 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 48 hours after the information becomes generally available to the public.

4) The trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

(VIII) PRE-CLEARANCE

1) If the trading window is open, before making acquisition / sale of equity shares of the Company, all connected persons and designated persons shall obtain a pre-clearance from the compliance officer, **at least 2 trading days prior to the transaction** as per format vide **Annexure A.**

2) Such pre-clearance shall be **valid for 7 trading days**, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.

3) On receipt of the application, the Compliance Officer will give an acknowledgement as per format vide **Annexure B.**

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

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(IX) OPPOSITE TRANSACTIONS

1) Connected persons and designated persons who buy or sell any number of shares of the company shall not execute a contra trade i.e. sell or buy any number of shares during the next **six months** following the prior transaction.

2) The restriction on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan, as well as trades pursuant to exercise of stock options.

(X) DISCLOSURE REQUIREMENTS

Initial Disclosure by Promoter, key managerial personnel and directors	Continual Disclosure by Promoter, Designated Persons, Director and other connected persons
Disclose the holdings as on the date of appointment or becoming a promoter, to the company **within 7 days** of such appointment or becoming a promoter	Disclose the details securities bought and sold within two **trading days** 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 or such other value as may be specified Company shall intimate the stock exchange within **2 trading days.**

(XI) DISCIPLINARY ACTION

1) Any employee/officer/director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized.

2) Any employee/officer who violates the code of conduct will also be subject to disciplinary action by the company, which may include wage freeze, suspension, recovery, claw back.

3) The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.

4) On contravention of Clause IX, the profits from such trade shall be liable to disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund.

(XII) POWER TO MAKE CHANGES

The Managing Director and Compliance Officer of the Company may from time to time be severally empowered to:

1. amend the list of Designated Persons and Connected Persons;
2. formulate such procedure for implementation of pre-clearance and trade plan and prescribe forms for initial and continual disclosures until the same is notified by SEBI; and
3. make necessary changes to this Code of Conduct including forms for pre-clearance and undertaking.

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Annexure A

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Application for Pre-clearance of trading in securities of the Company by the Directors and designated persons (including immediate relatives) pursuant to regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

To

The Compliance officer

I _____________________ an Insider of the Company, holding __________shares propose to acquire / sell shares of the Company. The details are given below:

An undertaking required to be given under the code is also furnished.

Name of the Person	
Designation	
Employee no	
Dept. / Branch	
Address	
PAN	
DPID / Client ID/Folio No	
Shares held in the Company as on date	
The proposal is for ---- (please tick proper option)	(a) Acquisition in open market (b) Acquisition in off market (c) Sale in the open market (d) Sale in off market
Proposed date of the deal	
Estimated no. of securities proposed to be acquired / sold / subscribed	
Price at which the transaction is proposed	

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I/ We declare that I/ we have complied with the requirements of Company's "Code of Conduct to Regulate, Monitor and report trading in securities by designated persons and immediate relatives of designated persons and code of practice and procedures for fair disclosures of unpublished price sensitive information" based on the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof. I am executing an Undertaking as required and enclose herewith.

You are requested kindly to give your permission to trade in the equity shares/ other securities of the Company as requested above.

Thanking you,

Yours truly,

(_______________)

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UNDERTAKING TO BE EXECUTED BY AN INSIDER

I ________________ an insider, S/o, D/o, W/o ________________________ aged _______ years do hereby give an undertaking that:

1. I do not have any access or has not received "Unpublished Price Sensitive Information" upto the time of signing this undertaking.

2. In case I have access to or receive "Unpublished Price Sensitive Information" after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the company till the time such information becomes public.

3. I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the company from time to time, framed on the lines of SEBI (Prohibition of Insider Trading) Regulations, 2015.

4. I shall execute the order for acquisition/sale of shares within 7 trading days, after the approval of pre-clearance.

5. In case the order is not executed within 7 trading days, I shall again pre-clear the transaction prior to my entering into a contract for acquisition/sale of shares.

6. I shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following this transaction. I have made a full and true disclosure in the matter.

7. I hereby solemnly declare that I have made a full and true disclosure in this regard to the best of my knowledge and belief.

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(SIGNATURE)

Annexure B

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Application No:___________ Date: ________

Mr/Mrs

Pursuant to your application dated_____________, for pre-clearance of trade, we hereby clear the trade for purchase/sale of ________ equity shares at market price. You are requested to furnish the details of trade as under:

No. of Shares	
Date of Execution	
Name of the Broker	
Price	

Please note that the said transaction must be completed within one week hereof i.e. or before __________________. If you fail to complete the transaction within the stipulated period, you will be obliged to make an application for the pre-clearance of the said transaction afresh.

Signature of the Compliance Officer

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