



CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

PREFACE

Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “Regulations”) read with amendments made thereto requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its designated persons.

Accordingly, in supersession of the previous Code, a Code of Conduct to Regulate, Monitor and Report Trading by designated persons (the “Code”) for Wheels India Limited (the “Company”) is hereby framed as under.

OBJECTIVE

One of the rules prescribed by SEBI for preventing Insider Trading is that the Board of Directors of every listed company should formulate and adopt a Code of Conduct to regulate, monitor and report trading by the Connected Persons.

The Code adopted by the Company should adhere as closely as possible to the Model Code specified in Schedule B of the insider trading regulations without diluting it in any manner and companies must ensure compliance of the same.

Wheels India Limited being a Listed Entity is obligated mandatorily to formulate Code of Conduct governing trading of equity shares by the Insiders concerned who have access to the Unpublished Price Sensitive Information (UPSI). This policy covers the “Unpublished Price Sensitive Information” as defined under SEBI (Prohibition of Insider Trading) Regulations, 2015 and covers the Standards for Code of Conduct to regulate, monitor and report trading by Insiders.

This Code of Conduct pertains solely to Prevention of Insider Trading and does not purport to be a general Code of Conduct for employees in respect of other matters.

Important Definitions

- a. “Act” means the Securities and Exchange Board of India Act, 1992.
- b. “Compliance Officer” means the Company Secretary or such senior officer who may be appointed by the Board of Directors as the Compliance Officer or any other person as may be designated by the Board from time to time for implementing this code.
- c. Connected Persons means:



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(i) any person who is or has during the six months prior to the concerned act has 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.

Based on the above definition the following persons and their “immediate relatives” are to be reckoned as “Connected Persons”:

- a) Promoters
- b) Directors
- c) Key Managerial Personnel (Chief Executive officer, Chief Financial Officer & Company Secretary)
- d) Senior Management (i.e all persons directly reporting to the Managing Director of the Company)
- e) All employees of the Accounts, Finance, Internal Audit, Legal and Secretarial Departments having access to Unpublished Price Sensitive Information.

Any other person, as may need to be included having regard to the above definition, from time to time – this category may include the persons falling within the following categories who may be deemed to be connected persons unless the contrary is established

- (i) a holding company or associate company or subsidiary company; or
- (ii) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (iii) an investment company, trustee company, asset management company or an employee or director thereof; or
- (iv) 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
- (v) 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
- (vi) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- (vii) a banker of the company; or



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(viii) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten percent of the holding or interest;

(ix) Every other person including fiduciaries, who are required to handle unpublished price sensitive information on behalf of the Company, in the course of business operations.

Note: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information

Explanation I: whenever there is an event triggering compliance to the provisions of the Code, the responsibility of ensuring compliance with this Code is on such Connected Person to whom the deemed Connected Person is associated by whatever means.

- d) "Designated Persons" means
- i. Senior Management (i.e persons directly reporting to the Managing Director of the Company)
 - ii. All employees of the Accounts, Finance, Internal Audit, Legal and Secretarial Departments, having access to Unpublished Price Sensitive Information (other than those covered under the definition of "connected persons") .
 - iii. All other Head of Departments not covered under the definition of "connected persons".
 - iv. Key Managerial Personnel and other employees in the grade of General Manager and above in material subsidiaries of the Company as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (other than those covered under the definition of "connected persons").
 - v. 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.
 - vi. 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.
 - vii. 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.
 - viii. 'Insider' means any Connected Person, a designated person or any person, who is reasonably expected to have access to Unpublished Price Sensitive Information of the Company, or who has received or has had access to



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unpublished price sensitive information of the Company pursuant to a legitimate purpose including the unpublished price sensitive information about the Securities of the Company.

- e) "Trading Plan" shall mean the Trading Plan as allowed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended).
- f) "Unpublished Price Sensitive Information or UPSI" means any information, relating to the Company or its Securities, listed or proposed to be listed. directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following: –
 - i. Financial results;
 - ii. Dividends;
 - iii. Change in capital structure;
 - iv. Mergers, de-mergers, acquisitions, de-listing, disposals and expansion of business and such other transactions;
 - v. Changes in key managerial personnel; and
 - vi. Material information or events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 legislation

- g) 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 purpose, performance of duties or discharge of his/ her legal obligations.

Restrictions applicable to Connected Persons

- a) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company and shall also not trade in the securities of the Company.
- b) No insider shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes

Connected persons & Designated persons in possession of UPSI



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Connected persons & designated persons within the organization shall handle all information 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.

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.

- i. Employees of the Company can report instances of leak / suspected leak of UPSI under the Whistle Blower Mechanism laid by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- ii. The Board of Directors or head 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.
- iii. Any breach of the above said obligation will attract disciplinary action

Additional Restrictions

- a. Connected Persons who trade in any number of Securities of the Company shall not enter into an opposite transaction (i.e. sell or buy etc.) for any number of Securities for the six months period following the prior transaction.
- b. The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.
- c. In case of any violation of the above requirement, whether inadvertently or otherwise, profits from such trade shall be dealt in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- d. The restriction on contra trade shall not be applicable for trades carried out in accordance with approved trading plan, as well as trades pursuant to exercise of stock option.

Exemptions



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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 promoters who are in possession of UPSI and who made an informed trade decision.
- b) Transactions carried out through block deal window between persons who are in the possession of UPSI and made an informed trade decision
- c) Transactions carried out pursuant to statutory or regulatory obligation to carry out a bonafide transactions
- d) Transactions undertaken pursuant to exercise of stock options in respect of which the exercise price is pre-determined 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 this code

Designated Persons

The Board of Directors or such other analogous authority shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include: -

SCHEDULE B CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS (As envisaged under sub-regulation (1) and sub-regulation (2) of regulation 9)

- The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors
- All information shall be handled within the organisation 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



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duties or discharge of his legal obligations.

- Employees and connected persons designated on the basis of their functional role in the (“designated person”) organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
- Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed
- 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 forty-eight hours after the information becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.
- When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall apply for pre sensitive information even if the trading window is not closed.
- The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.
- Prior to approving any trades, the compliance officer shall be entitled to seek declarations (as per format) to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also



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have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

- Trade pre cleared has to be executed within 7 trading by the designated person, failing which fresh pre□clearance would be needed for the trades to be executed.
- A designated person who is permitted to trade shall not execute a contra trade within a period of 6 months from the date of an event. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
- The Company has adopted such formats with the consent of the board of directors for making applications for pre□clearance, reporting of trades executed, reporting of decisions not to trade after securing pre□clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
- Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension etc., that may be imposed, by the persons required to formulate a code of conduct under sub□ regulation (1) of regulation 9, for the contravention of the code of conduct.

Designated persons shall be required to disclose the names and PAN of the following persons to the company on an annual basis and as and when the information changes;

- (a) Immediate relatives
- (b) Persons with whom such designated person(s) shares a material financial relationship (MR) MR mean a relationship in which one person is a recipient of any kind of payment such as by way of a long or gift during he immediately preceding twelve months.
- (c) Phone, mobile and cell numbers which are used by them

Trading Window Closure

- The trading window shall be closed whenever the Compliance Officer determines that a connected person, designated person or class of



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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.

- The trading window closure period shall be applicable from the end of every quarter till 48 hours after the declaration of financial results.
- 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.
- The trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

The Trading Window restrictions stipulated in this Code shall not be applicable to any trades expressly permitted during trading window closure in terms of the Regulations and/ or the Model Code specified therein. Such transactions may be undertaken subject to compliance with all applicable conditions notified by SEBI from time to time.

Pre-Clearance

- 1) If the trading window is open, before making acquisition / sale of equity share of the Company, 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**. The threshold limit for dealing in shares has been prescribed as below:-

Category	Threshold limit
Directors, Key Managerial Personnel (CFO & Company Secretary)	Upto 5000 shares or Rs 10 lakhs or 2% of the Company's share capital whichever is lower
Designated Persons and their dependent relatives	Upto 500 shares or Rs 50,000/- per trade whichever is lower



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Upto the above limit preclearance is not required/ Acquisition/disposal in excess of the above limit shall be subject to other conditions in the code

- 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 a fresh pre-clearance of the trades needs to be obtained.
- 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.

Reporting Requirements

➤ Initial Disclosure

Every promoter / Key Managerial Personnel / 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 dependent family members in the prescribed Form.

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

➤ Continual Disclosure

Every promoter, designated person and director of the Company shall disclose to the Company 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. 10 Lakhs or such other value as may be specified.

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.

Disclosure by the Company to the Stock Exchange(s)



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- Within 2 trading days of the receipt of intimation, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

The above disclosure requirements applies to off market interse transfer between insiders irrespective of the value of the transaction.

- 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.

Internal Control System

The Chief Executive Officer / Managing Director shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the regulations to prevent insider trading.

Process for how and when people are brought 'Inside' on sensitive transactions

The Compliance Officer in consultation with MD or CFO of the Company shall decide on how and when any person(s) should be brought 'Inside' on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following:

- (i) in the ordinary course of business.
- (ii) in furtherance of performance of duties.
- (iii) for discharge of legal obligation(s).
- (iv) for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company.
- (v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Review of compliance

The Audit Committee of the Company shall review compliance with the provisions of these Code and PIT Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.



Penalty for contravention of Code of Conduct

Any designated person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, recovery, claw back, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

Applicability of the Code

The Code applies to all Designated persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Code strictly.

Amendments

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, connected persons:
2. Formulate such procedure for implementation pre-clearance and trade plans and prescribed forms for initial and continual disclosures until the same is notified by SEBI
3. Make necessary changes to this code of conduct.

This code of conduct was last amended on May 28, 2020



**ANNEXURE A
FORM FOR PRE-CLEARANCE OF TRADES**

Name of the Designated person _____

Employee no: _____

dept/branch _____

Dp id/client id. _____

Folio no. _____

Shares held . _____

I _____ a designated person of the company holding _____ shares propose to acquire / sell _____ shares, do request you to kindly pre-clear this trade. With this acquisition/sale my holdings in the company will be _____ shares. An undertaking required to be given under the code is furnished overleaf.

I, being designated person, shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the above transaction.*

Thanking you

Yours truly

(_____)

* Strike out if not applicable



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UNDERTAKING TO BE EXECUTED BY DESIGNATED PERSON

I _____ designated person, S/o, D/o, W/o
_____ aged _____ years do hereby give an
undertaking that:

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

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

I have not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.

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

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.

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.

(SIGNATURE)

* applicable for designated persons only



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ANNEXURE B

Acknowledgement 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	

In case, you do not effect the transaction within 7 trading days (_____ to _____), kindly get back to us for a pre-clearance.

Signature