



**Quess**

QUESS CORP LIMITED

**CODE OF CONDUCT FOR PREVENTION AND  
PROHIBITION OF INSIDER TRADING  
(Version 3 dated June 19, 2017)**

ADOPTED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON MAY 17, 2016,  
REVISED ON NOVEMBER 28, 2016 & June 19, 2017

**INDEX**

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
1. Preamble	3
2. Definitions	3
3. Compliance Officer	6
4. Prevention of UPSI	7
5. Prohibition on communicating or procuring UPSI	7
6. Prohibition on Insider Trading	8
7. Trading Window	9
8. Pre-clearance of Trading	9
9. Additional trading restrictions on Designated Persons	10
10. Trading Plan	11
11. Penalty for Insider Trading	12
12. Disclosure requirements	12
13. General Provision	13
14. Penalties	13
15. Miscellaneous	13

**QUESS CORP LIMITED****CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING****Preamble**

Insider Trading is dealing (buying and/ or selling) in the securities by the Shareholder of a Company, by any connected or deemed to be connected persons while in possession of any un-published price sensitive information, in breach of a fiduciary duty or other relationship of a trust and confidence, to gain personal benefit out of such dealing.

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “the SEBI Regulations”) replaced the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 w.e.f. 15th May, 2015. The Regulations requires every listed company to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations and enforce a code of internal conduct and procedures based on the Model code provided therein.

In compliance with the SEBI Regulations, the Board of Directors of Quess Corp Limited (“the Company”) have adopted this Code of Conduct for Prevention of Insider Trading (hereinafter referred to as the “Code”)at its Board meeting held on May 17, 2016 effective from the date of listing.

The Company shall preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information and further committed to maintain transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

**Objective**

The Company endeavors to preserve the confidentiality and prevent the misuse of un-published price sensitive information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Every Director, Officer, Designated Employee and connected person of the Company has a duty to safeguard the confidentiality of all such information which he/ she obtained in the course of performance of official duties. Directors, Officers, Designated Employees and Connected persons of the Company should not use their position to gain personal benefit.

To achieve these objectives, the Company hereby notifies that this Code of conduct is to be followed by all Directors, officers, designated employees and connected persons.

**1. Definitions**

- a) **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) **“Board”** means the Securities and Exchange Board of India.
- c) **“Code”** means the Code of Conduct for prevention of Insider Trading, as notified hereunder, including any amendments/ modifications made from time to time.

d) **“Calendar Quarter”** means a period of 3 consecutive calendar months, ending with the last day of March, June, September or December.

e) **“Company”** means Quess Corp Limited.

**f) Compliance Officer**

“Compliance Officer” means the Company Secretary of the Company or any other senior level employee who shall be directed by the Board of Directors of the Company to act as such and designated as the compliance officer of the Company.

**g) Connected Person**

“Connected Person,” includes –

- i. A director of the Company;
- ii. A Key Managerial Personnel of the Company;
- iii. An Officer of the Company;
- iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, (a) allowed access to Unpublished Price Sensitive Information (“UPSI”) or (b) reasonably expected to be allowed access to UPSI;
- v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, (a) allowed access to UPSI or (b) reasonably expected to be allowed access to UPSI;
- vi. An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI;
- vii. Any person who has a professional or business relationship and that relationship that, directly or indirectly, (a) allows access to UPSI or (b) is reasonably expected to allow access to UPSI;

The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI or is reasonably expected to have access to UPSI –

- i. An Immediate Relative of Connected Persons;
- ii. A holding company or associate company or subsidiary company;
- iii. An intermediary as specified in section 12 of the SEBI Act or an employee or director thereof;
- iv. An investment company, trustee company, asset management company or an employee or director thereof;
- v. An official of a stock exchange or of clearing house or corporation;
- vi. 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;

- vii. 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;
- viii. An official or an employee of a self-regulatory organization recognised or authorized by the SEBI;
- ix. A banker of the Company;
- x. A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Immediate Relative or banker of the Company, has more than ten percent of the holding or interest.

#### **h) Designated Person**

The term “designated person” shall include Connected Persons and Employees of the Company, who are:

- i. Promoters of the Company;
  - ii. Directors of the Company and its subsidiaries;
  - iii. Executive Officers of the Company;
  - iv. Executive Vice Presidents of the Company;
  - v. Employees named in the Corporate Organization Chart of the Company from time to time;
  - vi. All employees in the Finance and Accounts Department, Corporate Planning Department, Legal Department, Enterprise Risk Management Department, above the [rank of Job Level 5]
  - vii. Executive Secretaries of Directors and Executive Officers of the Company;
  - viii. Any other Connected Person designated by the Company on the basis of their functional role;
  - ix. Immediate Relatives of I to VIII above;
- i) “Director”** shall have the meaning assigned to it under the Companies Act, 2013.
- j) “Employee(s)”** mean employee(s) of the Company, whether working in India or abroad.
- k) “Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- l) “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.
- m) “Insider”** means any person who is:
- (i) a Connected Person or
  - (ii) in possession of or having access to UPSI.
- n) “Key Managerial Personnel”** shall have the meaning assigned to it under the Companies Act, 2013 viz.,
- (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer;

- (v) such other officer as may be prescribed
- o) “Officer of the Company”** includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.
- p) “Promoter”** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- q) “Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.
- r) “Takeover regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- s) “Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly.
- t) “Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- u) “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
  - (vi) material events in accordance with the listing agreement.
- v) “Working Day”** shall mean the working day when the regular trading is permitted on the concerned stock exchange where the securities of the company are listed.

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

## **2. Compliance Officer**

- 2.1. The Compliance Officer shall report 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.

2.2. The Compliance Officer shall be responsible for setting forth the 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.

2.3. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

### **3. Prevention of UPSI**

3.1. All information shall be handled within the Company 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.

3.2. UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

3.2.1. an obligation to make an open offer under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2015 ("SEBI Takeover Regulations") where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or

3.2.2. not attracting the obligation to make an open offer under the SEBI Takeover Regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two Trading Days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

3.3 Need to know basis - Price Sensitive Information of the Company is to be handled on a "need to know" basis i.e. should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or apprehension of misuse of the information. All non-public information directly received by any employee should immediately be reported to the head of the department.

3.4 Limited access to confidential information - All manual files containing confidential information shall be kept secure. All Computer files must have adequate security.

### **4. Prevention of Misuse of UPSI**

No insider shall

- Trade in Securities of the Company either on their own behalf or on behalf of any other person when in possession of any UPSI; or

- Communicate, provide or allow access to any UPSI, relating to a company or 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.

## **5. Prohibition on communicating or procuring UPSI**

An Insider shall not –

- i. communicate, provide, or allow access to any UPSI, relating to the Company or its securities, to any person including other insiders, except to the extent allowed by these Rules;
- ii. procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities;

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured.

- i. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non disclosure agreements being executed; or
- ii. in the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company; or
- iii. within a group of persons if such persons have been identified and secluded within a “chinese wall” or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the “chinese wall”, and the execution of an undertaking by such persons to abstain and / or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI.

## **6. Prohibition on Insider Trading**

An Insider shall not, directly or indirectly, –

- i. Trade in securities that are listed or proposed to be listed when in possession of UPSI;
- ii. Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided the restriction in 6 (i) above shall not apply to:

- (a) a transaction that is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed trade decision; and
- (b) Trades pursuant to a Trading Plan set up in accordance with these Rules.



## **7. Trading Window**

- i. The “Trading Window” for the purpose of this Code shall mean the period during which Trading in Securities is permitted.
- ii. The Compliance Officer shall notify a ‘trading window’ during which the Designated Persons may trade in the Company’s securities after securing pre-clearance from the Compliance Officer in accordance with this Code.
- iii. Designated Persons and their respective Immediate Relatives shall not trade in the Company’s securities when the trading window is closed.
- iv. Unless otherwise specified by the Compliance Officer, be closed for all designated persons, seven (7) days prior to declaration of quarterly financial results and till the expiry of the two (2) trading days from the declaration of financial results for each preceding quarter(s) and at any other time for such period as specified by the Compliance Officer if any UPSI is under active consideration of the Company, such as the following:
  - a. Issue of Securities by way of public/rights/bonus etc.
  - b. Declaration of dividend (interim or final)
  - c. Any major expansion plans or undertaking of new business/projects.
  - d. Amalgamation, mergers, takeovers and buy-back.
  - e. Disposal of whole or substantially whole of the undertaking.  
Such other purpose as may be notified by the Compliance Officer from time to time in consultation with the Chairman, Managing Director & Chief Executive Officer of the Company.
- v. Additionally, the trading window shall be closed in particular for any employee(s), Designated Person or class of Designated Persons when the Compliance Officer determines that an employee (s), Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer.
- vi. The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.
- vii. Exercise of stock options granted and vested under Employee Stock Option Plans (“ESOP”) of the Company may be made at any time in accordance with the ESOP schemes of the Company. Provided that the sale of such Securities allotted on exercise of stock options shall be permitted only during the valid Trading Window.
- viii. It shall be responsibility of Designated Person to ensure that the obligations/restrictions stipulated under this Code are strictly followed by his/her Immediate Relatives.

## **8. Pre-clearance of Trading**

All the persons covered by the Code who propose to acquire/sell Securities of the Company which are more than Rs. 10 Lakhs in value or 50,000 shares or 1% of the total paid up shareholding or voting rights, whichever is lower, should pre-clear the transaction. However,

no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of UPSI even if the trading window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

- 1) Designated Persons may Trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by submitting an application as per Annexure 1 and an undertaking as per Annexure 2.
- 2) The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.
- 3) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.
- 4) The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per Annexure 3. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- 5) If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.
- 6) A Designated Person who Trades in securities without complying with the pre-clearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.
- 7) Nothing in this rule shall apply to any Trade involving **a value less than Rs. 10 Lakhs in value or 50,000 shares or 1% of the total paid up shareholding or voting rights,** whichever is lower, (a “de minimis Trade”) provided such Designated Person is not in possession of UPSI while executing the de minimis Trade.

#### **9. Additional trading restrictions on Designated Persons**

- 1) No Designated Persons shall enter into derivative transactions in respect of the securities of the Company.
- 2) All Designated Persons who trade in the securities of the company in the “Valid Trading Window” period and shall not enter into “Contra Trade” i.e. an opposite transaction during the next six months following the prior transaction. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI.
- 3) Minimum Holding Period

1. In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
2. Designated Person and their Immediate Relatives must hold Securities allotted under ESOP schemes for a minimum period of fourteen (14) days from the date of allotment of the Securities in the Company.
3. In case the sale of securities is necessitated by personal emergency the holding period may be waived by the Compliance Officer after recording in writing his reasons in this regard. The application for the waiver of the minimum period of holding of the securities shall be made by the employee in Form 2 annexed to this Code.

## **10. Trading Plan**

- 1) A Designated Person shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations (a "Trading Plan") and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out in his behalf in accordance with such plan.
- 2) 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.
- 3) The Compliance Officer shall review and approve the Trading Plan if it complies with the SEBI Regulations and shall disclose the Trading Plan to the stock exchanges.
- 4) The Trading Plan once approved shall be irrevocable and the Designated Person 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 at the time of formulation of the plan, the Designated Person is in possession of UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information. Further, the Designated Person shall also not be allowed to Trade in securities of the Company, if the date of Trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

## 11. Penalty for Insider Trading

- 1) An Insider who acts in contravention of these Rules shall be liable to have his services or relationship with the Company, as the case may be, terminated.
- 2) Directors, Officers and employees of the Company who violate these rules shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in the Company's stock option plans or termination.
- 3) The SEBI or any other appropriate regulatory authority would also be informed of the violation of these Rules so that appropriate action may be taken.

## 12. Disclosure requirements

### 1) Initial Disclosure:

- a. Every Promoter, Key Managerial Personnel, director of the Company and each of their Immediate Relatives shall disclose his holding of securities of the Company within thirty days of these Rules taking effect as per **Form A** set out in Annexure 4.
- b. Every person on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter shall disclose his / her and Immediate Relatives' 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, as per **Form B** set out in Annexure 5.

### 2) Continual Disclosure:

- a. Every Promoter, employee, director of the Company and each of their Immediate Relatives shall disclose as per **Form C** set out in Annexure 6 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. Ten lakhs.
- b. The disclosure shall be made within two working days of:
  - I. the receipt of intimation of allotment of shares, or
  - II. the acquisition or sale of shares or voting rights, as the case may be.

### 3) Disclosure by the Company to the Stock Exchange(s):

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.

#### **4) Disclosures by other Connected Persons.**

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company as per Form D set out in Annexure 7 at such frequency as he may determine.

#### **13. General Provision**

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors / designated employees for a minimum period of five years.

The Compliance Officer shall place before the Managing Director / Chief Executive Officer or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by the employees / director / officer of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

#### **14. Penalties**

Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company. The penalties will be as per the Securities Contract (Regulation) Act, 1956.

The action by the Company shall not preclude SEBI and other authorities from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015. In case the SEBI Regulations or any Statutory Provisions are more stringent than those contained in the Code, the SEBI Regulations / Statutory Provisions will prevail.

#### **15. Miscellaneous**

- 1) The Board of Directors shall be empowered to amend, modify, interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.
- 2) The Compliance Officer shall provide the Audit Committee of the Board, on a quarterly basis, all the details of Trading in securities by the Designated Persons including any violations of the Rules.
- 3) The Compliance Officer shall maintain (a) updated list of Designated Persons, (b) records of disclosures and pre-clearance applications and undertakings for a period of five years and (c) a confidential list of any 'restricted securities' to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such 'restricted securities'.
- 4) The Company shall require all Connected Persons to formulate and adhere to a code of conduct to achieve compliance with these Rules. In case such persons observe that there has been a violation of these Rules, then they shall inform the Board of Directors of the Company promptly.

- 5) The Company has adopted the amended 'Corporate Policy Statement on Investor Relations' available at [www.quescorp.com](http://www.quescorp.com) to regulate the Company's practices and procedures for fair disclosure of UPSI and comply with the SEC's Regulation for Fair Disclosure.