

TANEJA AEROSPACE AND AVIATION LIMITED

CODE OF INTERNAL PROCEDURES

AND

CONDUCT FOR REGULATING, MONITORING AND REPORTING

OF

TRADING BY INSIDERS

TANEJA AEROSPACE AND AVIATION LIMITED

1. Definitions

- 1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 1.2 “**Board**” means the Board of Directors of the Company.
- 1.3 “**Code**” or “**Code of Conduct**” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of TANEJA AEROSPACE AND AVIATION LIMITED as amended from time to time.
- 1.4 “**Company**” means TANEJA AEROSPACE AND AVIATION LIMITED.
- 1.5 “**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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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.
- 1.6 “**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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access;
 - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
 - (a) an immediate relative of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) 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
 - (g) 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
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

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- (i) a banker of the Company; or
 - (j) a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- 1.7 **“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.
- 1.8 **Designated Person(s)** shall include:
- 1. Directors of the Company;
 - 2. Promoters of the Company;
 - 3. Employees upto two level below the CEO/ Managing Director of the Company and its material subsidiary, if any;
 - 4. every executive secretary/ executive assistant to every employee covered under (1) above in this definition; and
 - 5. Support staff of the Company viz. IT or Secretarial who have access to UPSI;
 - 6. any other employee as may be designated by the Board from time to time on the basis of their functional role to whom the trading restrictions shall be applicable.
 - 7. 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, as may be determined by the Board from time to time on the basis of their functional role to whom the trading restrictions shall be applicable.
- 1.9 **“Director”** means a member of the Board of Directors of the Company.
- 1.10 **“Employee”** means every employee of the Company including the Directors in the employment of the Company.
- 1.11 **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.
- 1.12 **"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.
- 1.13 **“Insider”** means any person, who is,
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- 1.14 **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013.
- 1.15 **"Promoter"** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

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- 1.15A "**promoter group**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof
- 1.16 "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund.
- 1.17 "**Takeover regulations**" means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 1.18 "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- 1.19 "**Trading Day**" means a day on which the recognized stock exchanges are open for trading.
- 1.20 "**Unpublished Price Sensitive Information**" (UPSI) 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;
 - (vi) Major litigation, borrowing, one time settlement with banks, debt restructuring, contracts awarded in all of which the amount involved is equivalent to 10% or more of the total income of the Company as per the preceding financial year; and
 - (vii) Disposal of whole or substantial part of the undertakings of the Company.
- 1.21 "**Regulations**" shall mean the SEBI (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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

2. Role of Compliance Officer

- 2.1 The Compliance Officer shall report to the Board, on quarterly basis, all the details of trading in securities by the Designated Person(s).
- 2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulations and the Company's Code of Conduct.

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3. Preservation of “Price Sensitive Information”

3.1 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 legal obligations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- entails an obligation to make an open offer under the takeover regulations where the Board is of informed opinion that sharing of such information is in the best interests of the Company; or
- not attract the obligation to make an open offer under the takeover regulations but where the Board is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the sharing of such information being effected in such form as the Board may determine.

However, the Board 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.

The Board shall ensure that a structured digital database is maintained containing names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks to ensure non-tampering of the database.

3.2 Need to Know:

(i) “need to know” basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

(ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

3.3 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

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4. Prevention of misuse of “Unpublished Price Sensitive Information”

Employees and connected persons designated on the basis of their functional role [“**Designated Person(s)**”] in the Company shall be governed by an internal code of conduct governing dealing in securities.

No insider shall trade in securities of the Company **when in possession of unpublished price sensitive information** provided that the said trades were pursuant to a trading plan set up as under:

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 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 Company 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 aforesaid trading plan to assess whether the plan would have any potential for violation of the Regulations and shall obtain the approval from the Managing Director/ Chief Executive Officer/ Chairman of the Board for implementation of the plan. However, Compliance Officer shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

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 at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

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

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5. Trading Window and Window Closure

Designated Person(s) and their immediate relatives **not in possession of unpublished price sensitive information** may execute trades in securities of the Company subject to compliance of following:

- 5.1(i) The trading period, i.e. the trading period of the stock exchanges, called 'trading Window', is available for trading in the Company's securities.
- (ii) The trading window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results to the Stock Exchange.

Additionally, the trading window shall be closed when the compliance officer determines that a Designated Person(s) or class of Designated Person(s) can reasonably be expected to have possession of unpublished price sensitive information, for such periods as determined by the Compliance Officer.

- (iii) All Designated Person(s) and their immediate relatives shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed or during any other period as may be specified by the Company from time to time, as referred to in Point No. (ii) above.

- 5.2 The Compliance Officer shall intimate the closure of trading window to all the Designated Person(s)

6. Pre-clearance of trades

All Designated Person(s) who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is above **Rs. 10 Lakhs** (market value) should pre-clear the transaction.

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

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

The pre- clearance procedure shall be as under:

- (i) An application may be made in the prescribed Form (attached as Annexure-1) to the Compliance officer.
An undertaking (attached as Annexure-2) shall be executed in favour of the Company by such Designated Person(s).
- (ii) The application must be sent through e-mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to secretarial@taal.co.in.
- (iii) The Compliance Officer shall obtain the pre-clearance approval from the Managing Director/ Chief Executive Officer/ Chairman of the Board.

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- (iv) 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 pre-clearance.
- (v) Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price-sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered in accurate.
- (vi) The Compliance Officer shall communicate the approval (attached as Annexure-3) preferably on the same working day but not later than the next working day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the SEBI Regulations. Such approval/ rejection would be conveyed through e-mail.
- (vii) All Designated Person(s) and their relatives shall execute their order in respect of securities of the Company within seven trading days after the approval of pre-clearance is given. The Designated Person(s) shall file within 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 executed, a report to that effect shall be filed. (Attached as Annexure-4).
- (viii) If the order is not executed within seven trading days after the approval is given, the Designated Person(s) must pre-clear the transaction again.
- (ix) All Designated Person(s) who buy or sell any number of shares of the Company shall not enter into contra trade i.e. sell or buy any number of shares during the next six months ('holding period') following the prior transaction. All Designated Person(s) shall also not take positions in derivative transactions in the shares of the Company at any time. 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 under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

The Compliance Officer may, after obtaining the approval from the Managing Director/ Chief Executive Officer/ Chairman of the Board, waive off the holding period in case of sale of securities in personal emergency and shall record the reasons for the same. However, no such sale will be permitted when the Trading window is closed.

- (x) In the absence of the Compliance Officer due to leave etc., the Officer designated by him/ her, shall discharge the aforesaid functions.

7. Other Restrictions

- 7.1 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

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- 7.2 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 7.3 The disclosures made under this Code shall be maintained for a period of five years.
- 7.4 Designated persons shall disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:
- Immediate relatives
 - Persons with whom such designated person(s) shares a material financial relationship
 - Phone, mobile and cell numbers which are used by them
 - The names of 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 from the designated persons during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated persons but shall exclude relationships in which the payment is based on arm’s length transactions.

- 7.5 Any person may be brought “inside” if in the opinion of the Managing Director/ Chairman of the Board/ such other designated person as may be authorized by the Board/ Managing Director is so required on such sensitive inside information in his/ their best judgment.

Such person shall be governed by this internal code of conduct of the Company governing dealing in securities.

The person so brought ‘inside’ shall be made aware of the duties and responsibilities attached to the receipt of UPSI and the liabilities attached to misuse or unwarranted use of such UPSI.

8. Reporting Requirements for transactions in securities

Initial Disclosure

- 8.1 Every Promoter/ or promoter group / Key Managerial Personnel/ Director of the Company shall disclose his holding of securities of the Company to the Company, within thirty days in the prescribed Form (attached as Form-A).
- 8.2 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 or promoter group, to the Company within seven days of such appointment or becoming a promoter or promoter group in the prescribed Form (attached as Form-B).

Continual Disclosure

- 8.3 Every promoter or promoter group, employee 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. Ten lakhs** in the prescribed Form (attached as Form-C).

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9. Disclosure by the Company to the Stock Exchange

The Company shall notify the particulars of such trading to the Stock Exchange **within two trading days** of:

- (a) the receipt of the disclosure; or
- (b) from becoming aware of such information.

10. Dissemination of Price Sensitive Information

10.1 No information shall be passed by Designated Person(s) by way of making a recommendation for the purchase or sale of securities of the Company.

10.2 Disclosure/ dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors:

- Only public information to be provided.
- Any executive Director of the Company or at least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

11. Penalty for contravention of the code of conduct

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

11.2 Any Designated Person(s) who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.

11.3 Designated Person(s) (s) who violates the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension recovery, clawback recovery etc.

11.4 In case it is observed by the Board that the Designated Person(s) has violated the Regulations, they shall inform SEBI promptly.

11.5 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

12. Protection against retaliation and victimization

Employee who reports any alleged violations of insider trading laws in accordance with the Informant mechanism introduced vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated 17 September 2019, will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.

This revised code was adopted by the Board via circular resolution on December 23, 2019.

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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Pursuant to Reg. 8(1), Chapter - IV of the SEBI (Prohibition of Insider Trading) Regulations, 2015)

The Board of Directors of Taneja Aerospace and Aviation Limited (hereinafter referred to as the "Company") has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the 'Code') effective from May 15, 2015 framed on the basis of the principles of fair disclosure outlined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "SEBI PIT Regulations"). These Regulations were further amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors of the Company would follow the following practice and procedure for fair disclosure of unpublished price sensitive information:

1. The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall ensure a uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Company shall ensure a prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
4. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. The Company shall ensure that hat information shared with analysts and research personnel is not unpublished price sensitive information.
6. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
7. The Company shall ensure the handling of all unpublished price sensitive information on a need-to-know basis.
8. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of Unpublished Price Sensitive Information.
9. An Insider can, subject to prior approval of the Board of Directors of the Company, share unpublished price sensitive information, in the ordinary course of business and for legitimate purposes with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants of the Company, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI PIT Regulations as amended.

[Note: Clause 9 is incorporated in this Code pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and shall come into effect from April 01, 2019]

This Code was adopted by the Board of Directors of the Company in its meeting held on February 09, 2019.