

# Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders

## 1. INTRODUCTION

The Securities and Exchange Board of India (SEBI) has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 on 15<sup>th</sup> January, 2015 and the said regulations are amended from time to time.

Insider trading means trading in 'Securities' of a Company by its Directors, Employees or other 'Insiders' based on 'Unpublished Price Sensitive Information' (UPSI).

The Insider Trading Regulations prohibits an Insider of the Company to deal in the securities of such Company while in possession of any UPSI. The Insider Trading Regulations also prohibits an insider to 'communicate, counsel or procure', whether 'directly or indirectly', any UPSI to any person including insiders, who while in possession of such information may 'deal' in the securities of the Company listed or proposed to be listed.

Every Director, Officer, Designated Person of the Company has a duty to safeguard the confidentiality of all the information obtained during the course of his /her employment/ association with the Company.

## 2. DEFINITIONS

- i. "**Act**" means the Securities and Exchange Board of India Act, 1992.
- ii. "**Code**" or "**Code of Conduct**" shall mean the "Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading in securities by Insiders of BASF India Limited.
- iii. "**Company**" means BASF India Limited.
- iv. "**Compliance Officer**" means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, 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 or the head of an organization, as the case may be.
- v. "**Connected Person**" means:-
  - a. 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 UPSI or is reasonably expected to allow such access.

- b. 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 -
- An immediate relative of connected persons specified in clause (a); or
  - A holding company or associate company or subsidiary company; or
  - An intermediary as specified in Section 12 of the Act or an employee or director thereof; or
  - An investment company, trustee company, asset management company or an employee or director thereof; or
  - An official of a stock exchange or of clearing house or corporation; or
  - 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
  - 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
  - An official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - A banker of the Company; or
  - 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.
- vi. **"Director"** means a member of the Board of Directors of the Company.
- vii. **"Board"** means the Securities and Exchange Board of India.
- viii. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis including information published on website of the stock exchange.
- ix. **"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.
- x. **"Insider"** means any person who is:
- A connected person; or
  - In possession of or having access to UPSI;
- xi. **"Promoter"** shall include a person:
- a) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; or
  - b) who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise; or
  - c) in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act:
- Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity
- Provided further that a financial institution, scheduled commercial bank, foreign portfolio investor other than Category III foreign portfolio investor, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be a promoter merely by virtue of the fact that twenty percent or more of the equity share capital of the issuer is held by such person unless such person satisfy other requirements prescribed under these regulations;

xii. **“Promoter Group”** includes

- a. The promoter;
- b. A subsidiary or holding company of the promoter;
- c. Any body corporate in which the promoter holds twenty per cent or more of the equity share capital; and/or any body corporate which holds twenty percent or more of the equity share capital of the promoter;
- d. Any body corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold twenty percent or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds twenty percent or more of the equity share capital of the issuer and are also acting in concert;
- e. all persons whose shareholding is aggregated under the heading "shareholding of the promoter group":

Provided that a financial institution, scheduled bank, foreign portfolio investor other than Category III foreign portfolio investor, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be promoter group merely by virtue of the fact that twenty percent or more of the equity share capital of the promoter is held by such person or entity:

Provided further that such financial institution, scheduled bank, foreign portfolio investor other than Category III foreign portfolio investor, mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time shall be treated as promoter group for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

xiii. **“Regulations”** or **“these Regulations”** means SEBI (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time.

xiv. **“Securities”** includes:

- a. Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- b. Derivatives;
- c. Units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- d. Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- e. Units or any other such instrument issued to the investors under any mutual fund scheme;
- f. Any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;
- g. Government securities;
- h. Such other instruments as may be declared by the Central Government to be securities; and
- i. Rights or interest in securities.

- xv. **“Unpublished Price Sensitive Information”** or **“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: –
- a. financial results;
  - b. dividends;
  - c. change in capital structure;
  - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
  - e. changes in key managerial personnel.
- xvi. **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- xvii. **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- xviii. **“Trading day”** means a day on which the recognized stock exchanges are open for trading;
- xix. **“Designated Person (s)”** shall include the following persons:
- a. Directors of BASF India Limited;
  - b. Chief Financial Officer;
  - c. Company Secretary;
  - d. All cluster and functional heads of the Company;
  - e. Employees upto two levels below the Managing Director of the Company (in case not covered under points a to d above);
  - f. Personal assistants / secretaries to all the above persons;
  - g. Auditors of the Company;
  - h. All employees (including contractual employees) working in Company Secretarial & Legal, Accounts & Finance, Taxation, Corporate Communications and IT departments;
  - i. Other employees of the Company and persons employed on contractual basis not included above but having access to unpublished price sensitive information;
  - j. Such other persons as may be notified by the Compliance Officer in consultation with Managing Director.
  - k. Immediate relatives of all the above mentioned persons;

All terms used in this Code but not defined hereinabove shall have the meanings prescribed to them under 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 there under.

### 3. DUTIES AND ROLES OF COMPLIANCE OFFICER

- a. The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors but not less than once in a year.
- b. Prescribing procedures for various activities referred to in the Code.
- c. Monitoring adherence to the regulations for the preservation of UPSI.
- d. Grant of pre-clearance approvals to the Designated Persons for dealings in the Company's Securities held by them / their immediate relatives and monitoring of such dealings.

- e. Maintaining confidentially of a list of such securities as a “restricted list” which shall be used as a base for approving or rejecting applications for pre-clearance of trades.
- f. Maintenance of a record of prohibited periods specified from time to time.
- g. The Compliance Officer shall assist all the Employees in addressing any clarifications regarding the Regulations and this Code.
- h. Determination of trading window closure and re-opening periods.
- i. Seeking declarations from the applicant towards possession of UPSI and its accuracy.
- j. The compliance officer shall approve and publicly disclose the trading plan presented to him by the insider after which trades may be carried out on behalf of the insider in accordance with such plan.
- k. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of the 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.
- l. In case any UPSI is in possession of an insider at the time of formulation of trading plan, the compliance officer shall confirm that unless such UPSI becomes generally available, the commencement of any trading plan shall be deferred.
- m. The compliance officer shall notify the trading plan to the stock exchanges on which the securities of the Company are listed.
- n. The compliance officer shall maintain records of all the declarations in the appropriate form given by the directors/ officers / designated persons for a minimum period of five years.
- o. Compliance of policies, procedures, maintenance of records, preservation of UPSI, monitoring of trades and the implementation of the codes specified in the regulations under the overall supervision of the Board of Directors of the Company.
- p. Ensuring that information shared with Analysts and Research Personnel is not UPSI.
- q. Ensure that appropriate and fair response is given to queries on news reports and requests for verification of market rumors by regulatory authorities.
- r. Developing 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.
- s. Where there is a violation of regulations, the compliance officer or the company shall immediately inform SEBI about such violation.

#### 4. **PRESERVATION OF “PRICE SENSITIVE INFORMATION”**

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 and other official duties and obligations.

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

- a. an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of the information is in the best interests of the Company; or
- b. not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company 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 proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

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.

**Need to Know Basis:**

- a. "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.
- b. All non-public price sensitive information directly received by any employee should immediately be reported to the head of the department.

**Determination of Legitimate Purposes:**

"Legitimate Purposes" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

- Promoters of the Company
- Auditors of the Company
- Staff Members of the Audit firm/team conducting the Audit
- Collaborators
- Lenders
- Customers
- Suppliers
- Bankers
- Legal Advisors
- Insolvency Professionals
- Consultants
- Any other advisors/consultants/partners
- Any other person with whom UPSI is shared

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

**5. 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.

Trading Plan shall;

- a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- b. 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;
- c. entail trading for a period of not less than twelve months;
- d. not entail overlap of any period for which another trading plan is already in existence;
- e. 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
- f. not entail trading in securities for market abuse.

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. However, the pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. It is also hereby clarified that trading window norms and restrictions on contra trade will not be applicable for trades carried out in accordance with an approved trading plan.

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.

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

## **6. TRADING WINDOW AND TRADING CLOSURE**

- a. The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.
- b. The trading window shall be, inter alia, closed after the end of every quarter till 48 hours after the declaration of financial results. The trading window will also be closed as and when the compliance officer deems fit.
- c. When the trading window is closed, the Designated Persons shall not trade in the Company's securities in such period.
- d. All Designated Persons 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, as referred to in Point No. (b) above or during any other period as may be specified by the Company from time to time.

- e. The trading window restriction shall not apply for below cases:
- I. off-market inter-se transfer between insiders who were in possession of the same UPSI without violating the policy and both parties had made a conscious and informed trade decision.
  - II. transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without violating the policy and both parties had made a conscious and informed trade decision.
  - III. transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
  - IV. transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
  - V. trades executed as per the trading plan set up in accordance with the policy.
  - VI. pledge of shares for a bonafide purpose such as raising of funds, subject to preclearance by the compliance officer.
  - VII. transactions undertaken in accordance to respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer.
  - VIII. Other transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.

Unless otherwise specified by the Compliance Officer, the Trading Window for Dealing in Securities of the Company shall be closed for the following purposes-

- I. Declaration of financial results (quarterly, and annual) stand alone and consolidated;
- II. Declaration of dividends (interim and final);
- III. Issue of Securities by way of public/rights/bonus etc.;
- IV. Any major expansion plans or execution of new projects;
- V. Amalgamation, mergers, de-mergers, takeovers and buy-back;
- VI. Changes in key managerial personnel;
- VII. Changes in Capital Structure;
- VIII. Disposal of whole or substantially whole of the undertaking,
- IX. Material events in accordance with the Listing Regulations (in case not already covered above); and
- X. Any significant changes in business plans or operations of the Company.

The Compliance Officer shall intimate the closure of trading window to all the designated person of the Company when he 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.

The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however, in any event it 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.

## 7. PRE-CLEARANCE OF TRADES

Every Designated Person shall obtain a pre-clearance approval as per the procedure prescribed hereunder. For any dealing in any Securities of the Company proposed to be undertaken by such Designated Person / his /her immediate relatives, such pre-clearance approval would be necessary, only if the market value of the securities of BASF India Limited involved in the aggregate in all dealings calendar quarter exceeds in a monetary terms, the amount of Rs. 10,00,000/- (Rupees Ten Lakhs). Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade.

The pre-dealing procedure shall be hereunder:

- a. For the purpose of obtaining a pre-clearance approval, the concerned Designated Person shall make an application in the prescribed form to the Compliance Officer **(Refer Annexure A)**
- b. Such application should be complete and correct in all respects and should be accompanied by such undertakings declarations, indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. **(Refer Annexure B)**
- c. All Designated Persons & their Immediate Relative(s) shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Designated Person & their Immediate Relative(s) shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form **(Refer Annexure C)**. In case the transaction is not undertaken, a report to that effect shall be filed.
- d. If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.

Designated person who is permitted to trade shall not execute a contra trade [enter into an opposite transaction during the next 6 (six) months following the prior transaction] for six months from the date of entering into transaction. However, the restriction on contra trade shall not apply to:

- Exercise of the options under the Company's ESOPs;
- Sale of shares acquired under the Company's ESOPs, provided that designated person is not in possession of UPSI at the time of sale.

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.

Where any contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be surrendered for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

## 8. REPORTING AND DISCLOSURES REQUIREMENTS

All Directors/officers /designated persons shall be required to forward the following details of their

securities transactions including the statement of their Immediate Relative(s) to the Compliance officer:

- All holdings in securities of that Company by directors/ officers/ designated persons at the time of joining the company; (Refer Annexure D- Form A).
- Trading in derivatives of securities and the traded value of the derivatives, if any, provided it is allowed under any law for the time being in force.
- Periodic statement of any transactions in securities.

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

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

#### **A. Initial Disclosure**

Every Key Managerial Personnel or a Director and Promoter, member of promoter group of the company on his appointment shall disclose in prescribed format (Refer Annexure E- Form B) his holding of securities of the company as on the date of appointment or becoming a promoter/member of promoter group, to the company within 7 (seven) days of such appointment or becoming a promoter.

#### **B. Continual Disclosure**

Every Promoter, member of Promoter Group, Employee and Director of the Company shall disclose to the company the number of such securities acquired or disposed of within 2 (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 (Ten) Lakhs in Annexure F-Form C.

#### **Disclosure by Company to the Stock Exchanges:**

Notify the particulars of such trading to the stock exchange on which the securities are listed within 2 (two) trading days of receipt of the disclosure or from becoming aware of such information.

The Compliance Officer shall maintain records of all the above disclosures in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof.

### **9. PENALTY**

- a. 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 immediate relatives).
- b. Any Designated Person 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.
- c. Designated Person who violates this Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery clawback, ineligibility for future participation in employee stock option plans, etc.
- d. In case of any violation of the code of conduct, the Company shall promptly inform the Stock Exchanges where the shares of the Company are listed, in such form and such manner as may be specified by the Board from time to time.
- e. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.
- f. Any amount collected by the Company for contravention of the code of conduct shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

### **10. CODE OF FAIR DISCLOSURE**

The Board of Directors of BASF India Limited have always thrived to conduct its business in a fair

and transparent manner with a view to protect the interest of all the stakeholders in the Company. Towards achieving of this objective, the Company and the members of the Board, Officers, all employees and connected persons shall adhere to the following principles of fair disclosure of price sensitive information in letter as well as in the spirit:

1. 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. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a Senior Officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing 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.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

## 11. Mechanism of Internal Control

### a. Digital Database:

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons who have shared the UPSI and such persons and entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database. The said structured digital database shall be preserved for a period of not less than eight years after completion of relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

Designated persons shall be required to 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 numbers which are used by them.

In addition, 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 a designated person during the immediate preceding 12 months, equivalent to at least 25% of such designated person's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

### b. Chinese Wall:

- To prevent the misuse of confidential information, the Company shall adopt a "Chinese Wall" policy separating those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with

sales/marketing/operations or other departments providing support services, considered "public areas".

- In exceptional circumstances, Designated Persons may be given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

c. General:

- all employees who have access to unpublished price sensitive information are identified as Designated Persons;
- all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
- lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- all other relevant requirements specified under these regulations shall be complied with;
- periodic process review to evaluate effectiveness of such internal controls.

The Managing Director of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and Prohibition of Insider Trading regulations to prevent insider trading.

The Audit Committee shall review compliance of this Code once in a financial year; and adequacy of internal control system including its operative effectiveness with regard to prevention of insider trading.

**12. Whistle Blowing in case of leak of UPSI:**

- Any instance of leak of UPSI should be on the basis of a direct first- hand experience of the Whistle Blower. It should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication.
- The Whistle Blower may report leak of UPSI by an email to the Compliance Officer at his e-mail ID mentioning the subject line "LEAK OF UPSI".
- On the basis of reporting, the Compliance Officer shall conduct examination about the genuineness of the reporting before conduct of inquiry.
- The Compliance Officer as soon as ascertaining the genuineness of the reporting about leak of UPSI, intimate to Board of Directors and Audit Committee.
- The Company shall take further action based on the recommendations of the Audit Committee and the Board of Directors of the Company accordingly.
- The instance of leak of UPSI made by the Whistle Blower must be genuine with adequate supporting data/proof. If it is established that the allegation was made with mala-fide intentions or was frivolous in nature or was not genuine, the Whistle Blower shall be subject to Disciplinary Action.

**13. Procedure for enquiry in case of leak of USPI:**

On becoming aware of suo moto or otherwise, of actual or suspected leak of UPSI of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person, the Managing Director of the Company, shall authorise such persons, if necessary to follow the below mentioned procedure in order to enquire and/or investigate the matter:-

a. Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or

complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

b. Report of Preliminary Enquiry:

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI to submit the report within 7 days from the date of his appointment.

c. Disciplinary Action:

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided.

**Annexure – A**

**Application by Designated Person for Pre-clearance of dealing in BASF India Limited Securities**

To,  
 The Compliance Officer  
 BASF India Limited  
 The Capital, "A" Wing,  
 1204-C, 12<sup>th</sup> Floor,  
 Plot No.C-70, 'G' Block,  
 Bandra Kurla Complex,  
 Bandra (East),  
 Mumbai -400051, India

Date

Dear Sir,

Pursuant to Clause 7 (a) of the Code of Internal Procedures and Conduct for Prevention of Insider Trading in BASF India Limited securities, I hereby seek approval for purchase / sale of the Securities of the Company as per the details given below:

NAME OF DESIGNATED PERSON: \_\_\_\_\_

# EMPLOYEE NO. \_\_\_\_\_ DESIGNATION \_\_\_\_\_  
 DEPARTMENT \_\_\_\_\_ LOCATION \_\_\_\_\_  
 REPORTING MANAGER / HEAD \_\_\_\_\_

BASF India Limited's securities are being purchased /sold / subscribed by me / my Immediate Relative(s) Mr. / Mrs./ Ms/ Minor \_\_\_\_\_

Nature of Transaction (buy/sell/subscribe)	No. of securities intended to be bought / sold / subscribed	*Date of purchase/ allotment/ acquisition	**Date of previous approval (for purchase)	DP/ CLIENT ID of the account where the securities will be credited/debited
				DP ID.
				CLIENT ID

I declare that the order for buying / selling \*\*\* shall be executed within 7 (Seven) days after the approval is granted to me and an intimation of the same will be given to the Compliance Officer within 2 (Two) Working Days thereof.

I further declare that if the order for buying/selling \*\*\* has not been executed within 7 (Seven) days after the approval is granted to me, and further intend to deal in securities, than a fresh approval will be taken in that behalf.

Thanking you,

(Signature and Name of the Designated Person)

#applicable only if the Designated Person is an employee

\*applicable only in respect of sale of BASF India Limited Securities

\*\* applicable only in respect of sale of BASF India Limited Securities for which an earlier purchase sanction was granted by the Compliance Officer.

\*\*\* strike out whichever is not applicable.

**Annexure – B**

**Undertaking**

To,

The Compliance Officer  
BASF India Limited  
The Capital, "A" Wing,  
1204-C, 12<sup>th</sup> Floor,  
Plot No.C-70, 'G' Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai -400051, India

Undertaking under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended and BASF India Limited Code

In compliance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, and the BASF India Limited Code, (I, \_\_\_\_\_ (Name of the Designated Person) hereby undertake/declare that :

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

In case, I have access to or receive any "Price Sensitive Information" after the signing of this undertaking but before the execution of the deal, I shall inform the Compliance Officer of the change in the position and that I would completely refrain from dealing in BASF India Limited Securities till the time such information is made available to Public by the Company.

I have not contravened the BASF India Limited Code for prevention of Insider Trading as notified by the Company from time to time.

I have made full and true disclosure in the matter.

Signed this \_\_\_\_ day of \_\_\_\_\_, 20\_.

\_\_\_\_\_  
(Name of the Designated Person & Signature)

**Annexure – C**  
**Disclosure of Dealings**

Date :

To,  
The Compliance Officer  
BASF India Limited  
The Capital, "A" Wing,  
1204-C, 12<sup>th</sup> Floor,  
Plot No.C-70,'G' Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai -400051, India

Dear Sir,

**DETAILS OF DEALINGS**

I hereby inform you that I / my Immediate Relative(s) have bought/sold/subscribed to the BASF India Limited Securities as mentioned below:

Name of holder	* F/J	No. of Securities dealt with	Bought / Sold/ Subscribed	DP ID No./ CLIENT ID (electronic form) where the Securities will be debited or credited or Folio no. (physical)	Price per security (Rs.)

"F" first holder "J" joint holder

In connection with the aforesaid dealing (s), I hereby undertake to preserve, for a period of 3 (three) years and produce to the Compliance Officer/SEBI any of the following documents:

Stock Broker's contract note  
Proof of payment to/from Stock brokers  
Extract of bank passbook/statement (to be submitted in case of demat transactions) Copy of Delivery instruction slip (applicable in case of sale transaction)

I declare that the above information is correct and that no provisions of the BASF India Limited Code and/or applicable laws/regulations have been contravened for effecting the abovesaid transaction(s).

\*\* I agree to hold the above Securities for a minimum period of 6 months.

Yours truly,  
Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
Emp. No.: \_\_\_\_\_

\*\* Applicable in case of purchase of BASF India Limited securities only.



**ANNEXURE – D****Form A****SEBI (Prohibition of Insider Trading) Regulations, 2015****[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

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

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediately)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible)	No.	
1	2	3	4	5

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

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

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts)	Notional value in Rupee terms
6	7	8	9	10	11

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

Name &amp; Signature:

Designation:

Date:

Place:

## ANNEXURE E

## Form B

## SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7(1)(b) read with Regulation 6(2)- Disclosure on becoming a Director/KMP/ Promoter]

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relative to/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

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

**Details of Open Interest (OI) in derivatives of the company held on appointment of by KMP or Director or upon becoming a Promoter of a listed Company and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/ KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/ KMP		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	1	11	12

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

Name &amp; Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

## ANNEXURE F

## Form C

**SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7(2) read with Regulation 6(2)-- Continual Disclosure]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

Name PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoters/ KMP / Director s/immediate relative to/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimati on to compan y	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. Shares, Warrants, Convertible	No. and % of shareholding	Type of security (For eg. Shares, Warrants, Convert	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

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

**Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

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

Name &amp; Signature:

Designation:

Date:

Place: