

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN THE SECURITIES OF FABINDIA LIMITED

FABINDIA LIMITED

CIN: U74899DL1976PLC008436

Registered Office: Plot no. 10, Local Shopping Complex, Sector B Pocket-7, Vasant Kunj, New Delhi 110070

Adopted on: January 15, 2022

Approved by: Board of Directors

Name: William Nanda Bissell

Designation: Executive Vice Chairman and Director

Signature : Sd/-

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN THE SECURITIES OF FABINDIA LIMITED

Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions (if any).

1. INTRODUCTION

- 1.1 The PIT Code prescribing practices and procedures for prevention of insider trading in the Securities of Fabindia Limited (the “**Company**”) has been framed in accordance with Regulation 9 and other applicable provisions of the SEBI Insider Trading Regulations (including any statutory enactments/ amendments thereof). The PIT Code has been prepared by adopting the standards set out in Regulation 9 read with Schedule B of the SEBI Insider Trading Regulations in order to

regulate, monitor and report Trading by its Designated Persons and Immediate Relatives of such Designated Persons towards achieving compliance with the SEBI Insider Trading Regulations.

- 1.2 This PIT Code is in addition to, and not in substitution of, the SEBI Insider Trading Regulations, and it is important that Designated Persons are aware of and comply with the provisions of the SEBI Insider Trading Regulations as well.
- 1.3 The Board of Directors (the “**Board**”) of the Company has adopted this PIT Code with a view to encapsulate the restrictions, formats and rules of conduct to be followed by Designated Persons and to serve as a guiding charter for all persons associated with the functioning of the Company. It is necessary that all Designated Persons and their Immediate Relatives are fully aware of the provisions of this PIT Code.
- 1.4 This PIT will be applicable to all Designated Persons and their Immediate Relatives w.e.f. January 15, 2022. The Board of the Company will review and may amend the PIT Code from time to time.

2. DEFINITIONS

- 2.1 “**Applicable Law**” means the SEBI Insider Trading Regulations, including any amendments thereto, or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/ or mandatory standards and or guidance notes as may be applicable in the matter of Trading by an Insider.
- 2.2 “**Audit Committee**” means audit committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act read with Regulation 18 of the SEBI Listing Regulations as amended from time to time.
- 2.3 “**CEO**” means Chief Executive Officer of the Company.
- 2.4 “**CFO**” means Chief Financial Officer of the Company.
- 2.5 “**Companies Act**” means the Companies Act, 2013 and the rules made thereunder.
- 2.6 “**Compliance Officer**” shall mean the Company Secretary of the Company, designated as such and reporting to the Board of the Company for the compliance of the provision of the SEBI Insider Trading Regulations.
- 2.7 “**Connected Person**” means:
 - (a) Any person who is or has during the six months prior to the concerned act, been associated with the 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/ herself 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.
 - (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:-
 - (i) An Immediate Relative of Connected Persons specified in Clause (a) above; or
 - (ii) A holding company or associate company or subsidiary company; or

- (iii) An intermediary as specified in Section 12 of the SEBI Act or an employee or director thereof; or
- (iv) An investment company, trustee company, asset management company or an employee or director thereof; or
- (v) An official of a Stock Exchange or of clearing house or corporation; or
- (vi) A member of board of trustees of a mutual fund or a member of the Board of the asset management company of a mutual fund or is an employee thereof; or
- (vii) A member of the Board or an employee of a public financial institution as defined in section 2(72) of the Companies Act; or
- (viii) An official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- (ix) A banker of the Company; or
- (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.

2.8 “**Contra Trade**” shall have the meaning ascribed to such term in Clause 5.6(a) of this PIT Regulations.

2.9 “**Designated Person(s)**” for the Company shall include the following persons:

- (a) All Directors, Key Managerial Personnel, and functional/ departmental heads of the Company, by whatever name called.
- (b) Executive assistant/ secretaries of the aforesaid persons referred to in point (a) above.
- (c) All employees of the Company in the Corporate Secretarial Team, Finance, Business Finance, Revenue, Human Resources, Financial Planning and Analysis, Legal, Governance Risk and Compliance, Public Relations, Corporate Development of Manager (or equivalent) designation and above.
- (d) CEO and employees up to two levels below CEO of the Company and its Material Subsidiaries irrespective of their functional role in the Company or ability to have access to UPSI.
- (e) Support staff of the Company such as IT staff and secretaries/ assistants who have access to UPSI.
- (f) Employees of the Company and its Material Subsidiaries designated as such on the basis of their functional role or access to UPSI in the Company by the Board of the Company.
- (g) Any such other person identified by CEO/ MD/ CFO in consultation with the Compliance Officer on the basis of their functional role and such function would provide access to UPSI.

2.10 “**Director**” means a member of the Board of the Company.

2.11 “**Generally Available Information**” means information that is accessible to the public on a non-discriminatory basis. Information published on a website, which would ordinarily be considered as generally available information.

2.12 **“Immediate Relative”** means:

- (a) spouse of a person; and
- (b) parents, 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 Shares.

Provided that spouse would include any individual, who has been identified/ declared as a live-in and/ or same gender partner. For the avoidance of doubt, any person who has been identified/ declared as a partner/ spouse for coverage under the group medical insurance policy provided by the Company will be deemed to be included within the definition of spouse.

2.13 **“Insider”** means any person who is:

- (a) a Connected Person; or
- (b) in possession of or has access to Unpublished Price Sensitive Information.

2.14 **“Key Managerial Person”** in relation to the Company means:

- (a) CEO or the MD or the Manager;
- (b) Company Secretary;
- (c) Whole time Director;
- (d) CFO; and
- (e) Such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board of the Company.

2.15 **“Material Subsidiary”** shall have the same meaning as defined under SEBI Listing Regulations.

2.16 **“MD”** shall mean Managing Director of the Company.

2.17 **“PIT Code”** shall mean this Code of Conduct for Prevention of Insider Trading in the Securities of the Company.

2.18 **“SEBI Act”** means the Securities and Exchange Board of India Act, 1992.

2.19 **“SEBI Insider Trading Regulations”** shall mean SEBI (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time.

2.20 **“SEBI Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2.21 **“Shares”** or **“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.

2.22 **“Stock Exchanges”** shall mean the National Stock Exchange of India Limited (NSE) and/ or BSE Limited (BSE) or any other recognized stock exchange where Securities of the Company are listed as may be notified by the Compliance Officer from time to time.

- 2.23 “**Trade**” or “**Trading**” shall mean and include subscribing, buying, selling, dealing, pledging or agreeing to subscribe, buy, sell and deal in any Securities of the Company.
- 2.24 “**Trading Day**” shall mean the day on which the Stock Exchange is open for Trading.
- 2.25 “**Trading Plan**” shall have the meaning ascribed to such term in Clause 6 of this PIT Code.
- 2.26 “**Trading Window**” shall have the meaning ascribed to such term in Clause 7 of this PIT Code.
- 2.27 “**Unpublished Price Sensitive Information**” or “**UPSI**” means any information, relating to the Company or Securities of the Company, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities of the Company and shall, ordinarily including but not restricted to, information relating to the following:
- (a) Financial Results;
 - (b) Dividends;
 - (c) Changes in capital structure;
 - (d) Mergers, de-mergers, acquisitions, delisting, disposals, and expansion of business and such other transactions;
 - (e) Changes in Key Managerial Personnel; and
 - (f) Any other matter as may be prescribed by the Board of the Company or MD and CEO or CFO in consultation with the Compliance Officer of the Company.
- 2.28 All terms used in this PIT Code but not defined hereinabove shall have the meanings prescribed to them under the SEBI Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the SEBI Listing Regulations, the SEBI Insider Trading Regulations or the Companies Act and rules and regulations made thereunder, as relevant.

3. **PURPOSE OF THE PIT CODE**

- 3.1 The Company endeavours to preserve the confidentiality of Unpublished Price Sensitive Information and to prevent misuse of such information. The Company is committed to high standards of corporate governance, transparency and fairness in dealing with its shareholders and in ensuring adherence to all Applicable Laws. The underlying principles on the basis of which this PIT Code is based are the following:
- (a) ensure that Designated Persons may perform their duties according to the highest ethical standards of honesty, integrity, accountability, confidentiality and independence.
 - (b) ensure confidentiality of Unpublished Price Sensitive Information in relation with the Company, its business and affairs and make no use of it other than for furtherance of Company's interest.
 - (c) ensure compliance of all Applicable Laws and regulations, including Company's internal code of conduct and policies.

- (d) ensure and enable the Company to achieve the highest standards of corporate governance.

4. COMPLIANCE OFFICER

4.1 The Compliance Officer shall report to the Board of the Company. All reports with regard to the SEBI Insider Trading Regulations or this PIT Code shall be submitted to the CEO/MD of the Company or the Chairman of the Audit Committee. For cases relating to the Chairman of the Company or the CEO/MD, the Compliance Officer shall report the matter to the Chairman of the Audit Committee. Such reports shall be provided half yearly.

4.2 In the absence of the Compliance Officer for any reason, any senior officer, reporting to the Board of the Company or the CEO, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI Insider Trading Regulations, shall carry out the responsibilities of the Compliance Officer as required under this PIT Code, and the SEBI Insider Trading Regulations.

4.3 Role and Responsibilities of the Compliance Officer

- (a) The duties and responsibilities of the Compliance Officer are to enforce this PIT Code. To enforce the PIT Code, the Compliance Officer is authorized to seek such information from Designated Persons and their Immediate Relatives as required by this PIT Code and to give such approvals as are specified by this PIT Code.
- (b) The Compliance Officer shall maintain records of all declarations and disclosures received by him under the PIT Code for a minimum period of 5 (five) years.
- (c) The Compliance Officer shall be responsible for making the relevant disclosures to the Stock Exchange on which the Securities of the Company are listed, as required under the SEBI Insider Trading Regulations.
- (d) The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, pre-clearing of trades (directly or through respective department heads as decided by the Company) as required under the PIT Code, monitoring of trades for which pre-clearance is sought under the PIT Code and the implementation of the PIT Code under the overall supervision of the Board of the Company.
- (e) The Compliance Officer shall maintain a record of all Designated Persons and their Immediate Relatives in accordance with Regulation 9(4) of the SEBI Insider Trading Regulations and changes thereto from time to time. The Compliance Officer shall take a declaration set out in **Annexure 1** to this PIT Code from all Designated Persons.
- (f) The Compliance Officer shall be responsible for the approval of Trading Plans. The Compliance Officer shall also be responsible for notifying the Trading Plans to the Stock Exchanges.
- (g) The Compliance Officer shall maintain a record of Trading Window from time to time.
- (h) The Compliance Officer shall assist all the Designated Persons and their Immediate Relatives in addressing any clarifications regarding the SEBI Insider Trading Regulations and the PIT Code.
- (i) The Compliance Officer shall put in place, adequate and effective system of internal controls in accordance with Regulation 9A of the SEBI Insider Trading Regulations to ensure compliance with the SEBI Insider Trading Regulations and this PIT Code.

- (j) The Compliance Officer shall discharge other functions and duties as prescribed in the PIT Code and the SEBI Insider Trading Regulations.

5. RESPONSIBILITIES AND DUTIES OF DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES

5.1 Preservation of Unpublished Price Sensitive Information

- (a) All Designated Persons and their Immediate Relatives shall maintain strict confidentiality with respect to all Unpublished Price Sensitive Information. To this end, no Designated Person shall:
 - (i) pass on Unpublished Price Sensitive Information to any person; or
 - (ii) disclose Unpublished Price Sensitive Information to their Immediate Relatives and any other person; or
 - (iii) discuss Unpublished Price Sensitive Information in public places where others might overhear; or
 - (iv) disclose Unpublished Price Sensitive Information to any other Designated Person or any other person who does not need to know the information to do his or her job; or
 - (v) give others the perception that he/ she is Trading on the basis of Unpublished Price Sensitive Information.

5.2 Need to Know

- (a) Unpublished Price Sensitive Information is to be handled on a “need to know” basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within and outside the Company who need to know such Unpublished Price Sensitive Information to discharge their duty and whose possession of such Unpublished Price Sensitive Information will not give rise to a conflict of interest or appearance of misuse thereof.
- (b) No Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, the performance of duties or discharge of legal obligations, or in any other manner which is contrary to Regulation 3 of the SEBI Insider Trading Regulations. It is clarified that the term ‘legitimate purpose’, shall have the same meaning as provided under the Company’s policy on ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information’.
- (c) While communicating or allowing access to the Unpublished Price Sensitive Information, the Designated Person(s) is required to give due notice to such person(s) with whom the Unpublished Price Sensitive Information is shared, to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with the SEBI Insider Trading Regulations and the PIT Code.

5.3 Chinese Walls

- (a) Additionally, while dealing with or handling Unpublished Price Sensitive Information within the Company, the Company shall establish policies, procedures and physical arrangements (collectively “**Chinese Walls**”) designed to manage confidential information and prevent the inadvertent spread and misuse of Unpublished Price Sensitive Information, or the appearance thereof.

- (b) Chinese Walls shall be used to separate areas that have access to Unpublished Price Sensitive Information (“**Insider Areas**”) from those who do not have such access (“**Public Areas**”) within the Company.
- (c) Where Chinese Walls arrangements are in place Designated Persons working within an Insider Area are prohibited from communicating any confidential or Unpublished Price Sensitive Information to Designated Persons or any other person in Public Areas without prior approval of the Compliance Officer.
- (d) Designated Persons within a Chinese Wall have the responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.
- (e) A Designated Person may cross the Chinese Wall to enter the Insider Areas only with the prior approval of the Compliance Officer, and would be subject to all restrictions that apply to such areas. Such ‘crossing the wall’ or ‘bringing inside the wall’ shall be subject to a process, and should include reasons as to why such a person is being given access to such information, and provide for limits (if any) on the information on a need-to-know basis within the Chinese Wall. While ‘crossing the wall’ or ‘bringing inside the wall’ the Designated Persons should make the person aware of the duties and responsibilities attached to the receipt of Unpublished Price Sensitive Information and the liability that attaches to misuse or unwarranted use of such information.
- (f) The establishment of Chinese Walls does not suggest or imply that Unpublished Price Sensitive Information can circulate freely within Insider Areas. The provision of Clause 5.2 above shall be applicable within Insider Areas as well.

5.4 Limited access to Unpublished Price Sensitive Information

Files containing Unpublished Price Sensitive Information shall be kept secure. Computer files must have adequate security of login and password. Without prejudice to the above, Designated Persons shall follow such guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time after consultations with the person in charge of the IT and IS teams.

5.5 Restrictions on Designated Persons and their Immediate Relatives

- (a) No Designated Person, their Immediate Relatives shall:
 - (i) communicate, provide, or allow access to any Unpublished Price Sensitive Information;
 - (ii) procure from or cause the communication by any other person of Unpublished Price Sensitive Information;
 - (iii) either on his own behalf or on behalf of any other person, Trade when in possession of any Unpublished Price Sensitive Information unless made in accordance with the Trading Plan. Such prohibition shall include Trades undertaken through portfolio management schemes, whether discretionary or non-discretionary; and
 - (iv) advice any person to Trade in the Securities while being in possession, control or knowledge of Unpublished Price Sensitive Information. For the avoidance of any doubt, it is clarified that “advice” shall mean to include recommendations, communications or counselling.

Explanation 1: It is clarified that when any of the abovementioned person Trades in Securities of the Company while in possession of Unpublished Price Sensitive Information, his/ her Trades would be presumed to have been motivated by the knowledge and awareness of such information in his/ her possession.

Explanation 2: It is further clarified that such communication, procurement or allowing access can be made in furtherance of legitimate purposes, the performance of duties or discharge of legal obligations, as referred under Clause 5.2 of this PIT Code.

Provided that for the purposes of the PIT Code, Trading and advising any person to Trade by an Immediate Relative of a Designated Person shall be deemed to have been done by the concerned Designated Person and such Designated Person shall be liable to comply with all the provisions of the PIT Code as may be applicable to such Trading and advice. The Designated Person shall ensure that the Immediate Relative complies with all the provisions of this PIT Code. Nothing contained herein shall preclude the Immediate Relative to Trade in the Securities of the Company in the ordinary course of business without being in possession of Unpublished Price Sensitive Information.

- (b) Each Designated Person and their Immediate Relatives shall ensure that their respective wealth managers, portfolio managers or similar persons do not Trade in the Securities of the Company on behalf of any Designated Person, unless such Designated Person is permitted to Trade in the Securities of the Company in accordance with this PIT Code.

5.6 Restrictions on Contra Trade

- (a) All Designated Persons who buy or sell any number of Securities of the Company shall not enter into an opposite transaction i.e., sell or buy any number of Securities during the next 6 (six) months following the prior transaction ("**Contra Trade**"). All Designated Persons shall also not take positions in derivative transactions in the Securities of the Company at any time.
- (b) If a Designated Person intends to enter into a Contra Trade, such Contra Trade may be made only with prior approval of the Compliance Officer. The Compliance Officer, while approving such exception to Clause 5.6(a) above, shall record in writing the reasons for which such exception was granted and why such exception would not be in violation of the PIT Code or the SEBI Insider Trading Regulations.
- (c) In the event that a Contra Trade has been executed without prior approval of the Compliance Officer the profits from such Trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act.
- (d) It is clarified that the above restrictions on undertaking Contra Trade shall not be applicable for Trades executed pursuant to the exercise of employee stock options. Further, Trading Window norms and restrictions on Contra Trade shall not be applicable for Trades carried out in accordance with an approved Trading Plan under Clause 6 below.

6. **TRADING PLAN**

6.1 All Designated Persons and their Immediate Relatives shall be entitled to formulate a Trading Plan in accordance with Clause 6.2 below ("**Trading Plan**"). The Trading Plan so formulated shall be presented to the Compliance Officer in the format set in **Annexure 2** and for public disclosure and such Designated Person(s) or their Immediate Relative(s) may Trade only in accordance with their Trading Plan.

6.2 The Trading Plan shall:

- (a) not entail commencement of Trading on behalf of the Designated Person or their Immediate Relatives earlier than 6 (six) months from the public disclosure of the Trading Plan;
 - (b) not entail Trading in Securities 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 beginning of the third Trading Day after the disclosure of such financial results;
 - (c) entail Trading for a period of not less than 12 (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 (which shall not exceed more than 1 (one) week) at, or dates on which such Trades shall be effected; and
 - (f) not entail Trading in Securities for market abuse.
- 6.3 The Compliance Officer shall review the Trading Plan to assess whether such plan would have any potential for violation of the SEBI Insider Trading Regulations and shall be entitled to seek such express undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the Trading Plan.
- 6.4 The Trading Plan, once approved shall be irrevocable and the Designated Person or his Immediate Relative, who has formulated the said Trading Plan, shall mandatorily have to implement the Trading Plan and shall not be entitled to deviate from it or to execute any trade outside the scope of the Trading Plan.

Provided that the implementation of the Trading Plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the Designated Person or his Immediate Relative at the time of formulation of the plan has not become Generally Available Information at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information so as to avoid a violation of the SEBI Insider Trading Regulations.

7. TRADING WINDOW

- 7.1 The Company shall specify a trading period for Trading in the Securities ("**Trading Window**").
- 7.2 All Designated Persons or their Immediate Relatives shall conduct all their Trading in the Securities only when the Trading Window is open and no Designated Person or their Immediate Relatives shall Trade in the Securities during the period when the Trading Window is closed or during any other period as may be specified by the Compliance Officer from time to time.
- 7.3 Unless otherwise specified by the Compliance Officer, the Trading Window shall be closed for all Designated Persons and their Immediate Relatives during the following periods:
- (a) end of every quarter till 48 (forty eight) hours after the declaration of financial results. The gap between clearance of accounts by the Audit Committee and Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information; and
 - (b) *inter alia* be closed 2 (two) calendar days prior to and 2 (two) calendar days after any intended announcements regarding amalgamation, mergers, takeovers and buy-back,

disposal of whole or substantially whole of the undertaking, issue of Securities by way of public/ rights/ bonus etc., any major expansion plans or execution of new projects, any changes in policies, plans or operations of the Company that could have a material impact on its financial performance.

- 7.4 The Trading Window shall be closed when the Compliance Officer or the Board of the Company determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information and shall remain closed during the time the Unpublished Price Sensitive Information remains un-published. The Trading Window shall be opened 48 (forty-eight) hours after the Unpublished Price Sensitive Information is made public.
- 7.5 In addition to the above, the Compliance Officer may after consultation with any two Directors, declare the Trading Window closed, on an “as-needed” basis for any reason and for such other persons, as the Compliance Officer may deem fit.
- 7.6 Despite the Trading Window being open, Designated Persons or their Immediate Relatives would only be allowed to Trade subject to the conditions specified in Clause 8 below and provided that they are not in possession of any Unpublished Price Sensitive Information at the time they carry out the transaction. Further, prior to approving any Trade, the Compliance Officer shall be entitled to seek declarations to the effect that the Designated Person or their immediate relatives for pre-clearance is not in possession of any Unpublished Price Sensitive Information.
- 7.7 The restriction on Trading Window shall not be applicable in the following circumstances:
- (a) the transaction is an off-market inter-se transfer between Insiders who were in possession of the same Unpublished Price Sensitive Information without being in breach of the SEBI Insider Trading Regulations and both parties had made a conscious and informed Trade decision;
 - (b) the transaction was carried out through the block deal window mechanism between persons who were in possession of the Unpublished Price Sensitive Information without being in breach of the Regulations 3 of the SEBI Insider Trading Regulations and both parties had made a conscious and informed Trade decision;

Provided the transaction mentioned in sub-clauses (a) and (b) above, should not pertain to such Unpublished Price Sensitive Information which was obtained in a manner provided under Regulation 3(3) of the SEBI Insider Trading Regulations;

- (c) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a *bona fide* transaction;
- (d) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations;
- (e) the Trades were pursuant to a Trading Plan set up in accordance with Clause 6 above;
- (f) pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer under Clause 8 below and compliance with the respective regulations made by the SEBI;
- (g) 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 buy-back offer, open offer, delisting offer; and

(h) Such other transactions, which shall be specified by SEBI from time to time.

8. PRE-CLEARANCE OF TRANSACTIONS IN SECURITIES

8.1 Applicability

- (a) All Designated Persons who (or whose Immediate Relatives) intends to Trade in the Securities in a calendar quarter (either in one transaction or in a series of transactions) of a consideration price exceeding Rs. 10,00,000/- (Rupees ten lakhs only) the threshold stipulated by the Board of the Company] for the Securities should obtain prior approval for the transactions as per the procedure described hereunder. This is a mandatory requirement even when the Trading Window is open.
- (b) Any Designated Person or his/ her Immediate Relatives who carries on any transaction or series of transaction to circumvent this Clause shall be in violation of this PIT Code.

Explanation: It is clarified that pre-clearance is not required for **(i)** Trades executed in accordance with a Trading Plan, which is approved under Clause 6 of this PIT Code; **(ii)** exercise of employee stock options.

8.2 Procedure for the purpose of obtaining prior approval to a transaction

The Designated Person should make an application (for his/ her Trading or the Trading of his/ her Immediate Relative), in the format set in **Part A of Annexure 3** to the Compliance Officer. 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, in the format set in **Part B of Annexure 3**.

8.3 Approval

- (a) The Compliance Officer shall consider the application made as above and shall approve it unless he/ she is of the opinion that the grant of such approval would result in a breach of the provisions of the PIT Code, or the SEBI Insider Trading Regulations or the SEBI Act or any other law in force at that time.
- (b) The Compliance Officer shall be entitled to seek declarations to the effect that the Designated Person or his Immediate Relative applying for pre-clearance is not in possession of any Unpublished Price Sensitive Information. The Compliance Officer shall also have the discretion to assess and decide whether such declarations are factually accurate.
- (c) Every approval letter shall be in the format set in **Annexure 4**.
- (d) The Compliance Officer shall convey his decision to the Designated Person or his Immediate Relative, as the case may be, within 2 (two) Trading Days of receipt of the application. If the Compliance Officer does not respond within 2 (two) Trading Days, it shall be deemed to be a rejection of the application.
- (e) Every approval shall be dated and shall be valid for a period of 7 (seven) calendar days or such lesser period as prescribed in the approval.
- (f) All transactions involving the Compliance Officer shall be approved by the CEO.
- (g) In case any such person procures or comes in possession of Unpublished Price Sensitive Information before execution of the Trade during the subsistence of the pre-clearance sought in accordance with this Clause 8.3, such person shall refrain from executing the Trade.

8.4 Completion of approved transaction

- (a) All Designated Persons and his Immediate Relative shall ensure that they complete execution of every approved transaction in the Securities as provided in Clause 8.1 within the expiry of the approval period and send within 2 (two) Trading Days of execution of the transaction, the details of such transaction, to the Compliance Officer in the format set in **Annexure 5**.
- (b) If a transaction is not executed within the approval period, the Designated Person or his Immediate Relative must apply again to the Compliance Officer for pre-clearance of the transaction, if they intend to transact again.
- (c) Disclosure to the Company and Stock Exchanges
 - (i) Transactions by Designated Persons and their Immediate Relatives in accordance with Clause 8.1 above, are required to be disclosed by such persons to the Company within 2 (two) Trading Days of the transaction. The obligation to disclose Trading by the Immediate Relatives of Designated Persons or by any other person for whom such Designated Person takes trading decisions, is upon the said Designated Person.
 - (ii) Off-market Trades as mentioned in Clause 7.7(a) shall be reported to the Company within 2 (two) working days.
 - (iii) Additionally, transactions by Designated Persons or their Immediate Relatives in accordance with Clause 8.1 above in which the consideration price for Securities exceeds Rs. 10,00,000/- (Rupees Ten Lakhs) are required to be disclosed by the Company to the Stock Exchanges within 2 (two) Trading Days of receipt of disclosure from Designated Persons or their Immediate Relatives.

8.5 Advice regarding Pre-Clearance

In case of doubt, the Designated Persons and their Immediate Relatives shall be responsible for checking with the Compliance Officer or one of the contact persons designated by the Compliance Officer, if any, from time to time, whether the provisions of this Clause 8 are applicable to any particular proposed transaction in the Securities.

8.6 Reporting and Disclosure

- (a) The Compliance Officer shall place before the Board of the Company and the Chairman of the Audit Committee, on a quarterly basis, all the details of the Trading in the Securities of the Company done by the Designated Persons or their Immediate Relatives under Clause 8.4 above together with the accompanying documents that such persons had executed under the pre-approval procedure as outlined above.
- (b) The Company shall be entitled to disclose to all the Stock Exchanges where its Securities are listed, the information provided by Designated Persons or their Immediate Relatives to the Compliance Officer in accordance with the PIT Code.

9. **DISCLOSURE BY DESIGNATED PERSONS**

9.1 Initial disclosure

Designated Persons are required to disclose the following information on a one-time basis:

- (a) The names of the educational institution from which such Designated Person has graduated; and

- (b) Name of the past employers of such Designated Person.

9.2 Continual disclosure

- (a) All Designated Persons shall disclose the name, Permanent Account Number and mobile number used by the following persons:
- (i) their Immediate Relatives;
 - (ii) Persons with whom such Designated Person(s) share a material financial relationship, where 'material financial relationship' refers to 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 immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm's length transactions.

Explanation: It is clarified that the above-mentioned information must be shared on an annual basis and also as and when the said information changes in the format set out in **Annexure 6**.

- (b) All Designated Persons and their Immediate Relatives shall disclose the number of 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. 10,00,000/- (Rupees Ten Lakhs)], in the format set out in **Annexure 7**.

9.3 Extension of Disclosure

The disclosures requirements under the Clause 9.2(b) above would be required to be made irrespective of the transaction being pre-approved pursuant to Clause 8 above.

9.4 Disclosure by Company to Stock Exchanges

The Company, within 2 (two) Trading Days of receipt of information received in terms of Clause 9.2(b) above shall disclose to all Stock Exchanges on which Securities of the Company are traded.

10. **PENALTY FOR CONTRAVENTION**

- 10.1 Every Designated Person is individually responsible for complying with the applicable provisions of the PIT Code (including to the extent the provisions hereof are applicable to the Immediate Relatives of the Designated Persons).
- 10.2 Any person who violates this PIT Code shall be deemed to be in violation of the code of conduct of the Company, the penalty for which shall be decided as per the discretion of the Compliance Officer after discussion with the Audit Committee, where necessary and whether the violation was intentional or unintentional.
- 10.3 For a transaction involving the Chairman of the Company, the Chairman of the Audit Committee shall decide the penalty and whether the violation was intentional or unintentional.
- 10.4 Besides the above stated penalties, sanctions such as, wage freeze, suspension and recovery may also be imposed on the Designated Person who has violated any of the provisions of this PIT Code or the SEBI Insider Trading Regulations.

- 10.5 Any amount of penalty collected under this Clause 10, shall be remitted to the SEBI for the credit to the Investor Protection and Education Fund (IPEF) administered by the SEBI under the SEBI Act.
- 10.6 Where there has been a violation of this PIT Code or SEBI Insider Trading Regulations, the Company shall promptly inform the Stock Exchange(s) where the concerned Securities are traded, in such form and such manner as may be specified by the SEBI from time to time.
- 10.7 In addition to the action taken by the Company, the Designated Person or his/ her Immediate Relatives who has violated the provisions of this PIT Code shall provide any information required by and comply with any order passed by SEBI or other regulatory authorities under any other Applicable Laws.

11. CLARIFICATIONS

- 11.1 The Compliance Officer may be contacted by the Designated Persons or their Immediate Relatives for any queries concerning this PIT Code.
- 11.2 In case any difficulty or doubt arises in the interpretation of the PIT Code, the matter shall be referred to any two Directors in consultation with the Compliance Officer and their decision shall be final and binding. If the issue involves any act or matter involving the Chairman of the Company, the Chairman of the Audit Committee shall decide upon such issue.

12. PROVISION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Nothing herein contained shall be considered as obligating the Company in any way to furnish to any Designated Persons or their Immediate Relatives with any Unpublished Price Sensitive Information.

13. REVIEW AND AMENDMENT OF THE PIT CODE

The Board of the Company reserves the authority to review and modify this PIT Code from time to time. All provisions of this PIT Code would be subject to amendment/ change in accordance with appropriate laws as may be issued by relevant statutory, governmental, and regulatory authorities, from time to time.

14. INTERPRETATION

In any circumstance where the terms of this PIT Code are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this PIT Code.

15. DISCLAIMER

The PIT Code is the internal policy of the Company to regulate Designated Persons and their Immediate Relatives who may be considered by the Company to be in possession of Unpublished Price Sensitive Information for the purposes of the SEBI Insider Trading Regulations, from communicating and Trading. It is, however, the responsibility of each Designated Person to ensure compliance with the provisions of the SEBI Insider Trading Regulations and other related laws and also on behalf of its Immediate Relatives. The Company shall not be responsible or liable for any violation or contravention by any Designated Person or their Immediate Relatives, of the SEBI Insider Trading Regulations or other Applicable Laws.

ANNEXURE 1

Declaration by Designated Persons

To,
The Compliance Officer,
Fabindia Limited
Plot no. 10, Local Shopping Complex,
Sector B Pocket-7, Vasant Kunj,
New Delhi 110070

Dear Sir/ Madam,

I [*insert name*], resident of [*insert address*] [*insert other identification details*], hereby state that I am aware that I have been identified as a Designated Person of the Company. I have read and understood the provisions of Code of Conduct for Prevention of Insider Trading of the Company ("**PIT Code**") formulated for regulating, monitoring and reporting of trades as provided under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI Insider Trading Regulations**").

I hereby undertake as a condition for my continued employment or relationship with the Company to comply with the provisions of the PIT Code and of the SEBI Insider Trading Regulations and also to provide any information relating to any transaction relating to securities of the Company as may be required by the Company, and permit the Company to disclose such details to the SEBI, if required so by SEBI.

I agree that the Company may impose sanctions, including suspension of employment, at its discretion, for any violation of the PIT Code and or the SEBI Insider Trading Regulations.

Signature:
Name: [*insert*]
Date: [*insert*]

ANNEXURE 2

Trading Plan

To,
 The Compliance Officer,
 Fabindia Limited
 Plot no. 10, Local Shopping Complex,
 Sector B Pocket-7, Vasant Kunj,
 New Delhi 110070

Dear Sir/ Madam,

I, *[insert name]*, in my capacity as *[insert designation]* of the Company hereby submit the trading plan with respect to dealing in securities of the Company for a total period of 12 months from *[insert]* to *[insert]*.

Sl. No.	DP ID/Client ID / Folio No	Type of security	No. of Securities held (as on date)	Nature of Trade (Buy/Sell)	Proposed Date/time period of trade	No. /total amount of securities proposed to be traded
1.						
2.						

With respect to the above Trading Plan, I hereby undertake that I shall:

- (a) not entail commencement of trading on behalf of the Designated Person or their Immediate Relatives earlier than 6 (six) months from the public disclosure of the Trading Plan;
- (b) not entail trading in Securities 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 beginning of the third Trading Day after the disclosure of such financial results;
- (c) entail trading for a period of not less than 12 (twelve) months;
- (d) not entail overlap of any period for which another Trading Plan is already in existence; and
- (e) not entail trading in securities for market abuse.

Signature:
 Name: *[insert]*
 Date: *[insert]*

ANNEXURE 3

Part A - Application for obtaining Prior Approval/ Pre-Clearance

To,
 The Compliance Officer,
 Fabindia Limited
 Plot no. 10, Local Shopping Complex,
 Sector B Pocket-7, Vasant Kunj,
 New Delhi 110070

Dear Sir/ Madam,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention Insider Trading in the Securities of Fabindia Limited, I/ my Immediate Relative seek/ seeks approval to purchase / sell / pledge/ subscribe listed Securities of Fabindia Limited as per details given below:

Name of Applicant	
Designation	
Relationship with the Applicant (Self/ Immediate Relative)	
Number of Securities held as on date	
Folio No. / DP ID / Client ID No.	
The proposal is for	(a) Purchase of Securities (b) Subscription to Securities (c) Sale of Securities (d) Pledge
Proposed date of trading in listed Securities	
Estimated number of Securities proposed to be purchased/subscribed/sold/pledged	
Current market price (as on date of application)	
Whether the proposed transaction will be through stock exchange or off-market trade	
Folio No. / DP ID / Client ID No. where the Securities will be credited / debited	

I enclose herewith the undertaking signed by me.

Signature:
 Name: [insert]
 Date: [insert]

ANNEXURE 3

Part B - Undertaking

To,
The Compliance Officer,
Fabindia Limited
Plot no. 10, Local Shopping Complex,
Sector B Pocket-7, Vasant Kunj,
New Delhi 110070

I, being a “designated person”/ an immediate relative of a designated person of the Company as per the Code of Conduct of the Company as a listed entity (“**PIT Code**”) residing at [insert], am desirous of trading in listed Securities of the Company as mentioned in my application dated [insert date] for pre-clearance of the transaction.

I further declare that I am not in possession of any Unpublished Price Sensitive Information up to the time of signing this Undertaking. In the event that I have access to or receive any Unpublished Price Sensitive Information after the signing of this Undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the listed securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the PIT Code as notified by the Company from time to time. In the event of this transaction being in violation of the PIT Code or the applicable laws:

- (a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the ‘indemnified persons’) for all losses, damages, fines, expenses, suffered by the indemnified persons;
- (b) I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction; and
- (c) I authorize the Company to recover from me the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

I undertake to submit the necessary report within two days of execution of the transaction / a ‘Nil’ report if the transaction is not undertaken.

If approval is granted, I shall execute the trade within seven days of the receipt of approval, failing which I shall seek pre-clearance afresh.

I declare that I have made full and true disclosure in the matter.

Signature:
Name: [insert]
Date: [insert]

ANNEXURE 4

Format of Prior Approval Letter

To,
[insert name of Applicant]
[insert address]

Dear Sir/ Madam,

This is to inform you that your request for dealing in [insert quantity] [insert description of securities] of [insert], as mentioned in your application dated [insert date] is [approved/ rejected].

[Please note that the said transaction must be executed on or before [insert date] i.e., within 7 (seven) trading days from today. In case you do not execute the approved transaction/ deal on or before the aforesaid date, you would have to seek fresh pre-clearance before executing any transaction/ deal in the said Securities. Further, you are required to file the details of the executed transactions in the format prescribed in the PIT Code within 2 days from the date of transaction/ deal. In case the transaction is not undertaken a 'Nil' report shall be filed within 2 days from the date.]¹

Signature:
Name: [insert]
Date: [insert]

¹ **Note:** To be deleted if application is rejected.

ANNEXURE 5

Intimation by Designated Person Post Approval

To,
 The Compliance Officer,
 Fabindia Limited
 Plot no. 10, Local Shopping Complex,
 Sector B Pocket-7, Vasant Kunj,
 New Delhi 110070

Sub: Intimation by Designated Person post-Prior Approval

Ref: Your Prior Approval letter dated [*insert date*]

Dear Sir/ Madam,

I hereby inform you that I/ my Immediate Relatives [have not bought / pledged/ sold / subscribed to listed securities] / [have bought / pledged/ sold / subscribed to listed securities, details of which are as under:]

Sl. No.	Date of Dealing	Bought/ Sold/ Subscribed/ Pledged	Number of Securities	DP ID / Client ID / Folio No.	Price

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

I agree not to buy/ pledge/ sell the securities for a period of 6 months from the date of the aforesaid transaction (applicable in case of purchase/ sale/ pledge transaction by Designated Persons only).

In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval (applicable in case of purchase/ subscription).

Signature:
 Name: [*insert*]
 Date: [*insert*]

ANNEXURE 6

Annual Disclosure

To,
 The Compliance Officer,
 Fabindia Limited
 Plot no. 10, Local Shopping Complex,
 Sector B Pocket-7, Vasant Kunj,
 New Delhi 110070

Dear Sir/ Madam,
Re: Annual Disclosure Declarations

As per the Code of Conduct as a Listed Company for Prevention of Insider Trading (“**PIT Code**”), I, [•], hereby declare the listed Securities holding as on March 31, [•] by me and my Immediate Relatives (as defined in the PIT Code).

Name	Relationship	Permanent Account Number	No. of Securities held in the Company	Details such as Folio No., DP ID, Client ID
	Self			
[insert name of immediate relative]				

I hereby further solemnly declare that I have made full and true disclosures with respect to the listed Securities held by me and my Immediate Relatives as on March 31, [•].

Signature:

Name: [insert]
 Designation: [insert]
 Date: [insert]
 Place: [insert]

ANNEXURE 7

Continuing Disclosure

Name of the company: _____

ISIN of the company: _____

Details of change in holding of listed Securities of Promoter, Member of Promoter Group, Designated Person or director of a listed company and Immediate Relatives of such persons and other such persons as mentioned in Regulation 6(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

Name, PAN, CIN/ DIN, & address with contact nos.	Category of Person (Promoters/ Member of Promoter Group/ Designated Person/ Director/ 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/ disposal of shares specify	Date of intimation to company	Mode of acquisition/ disposal (on market/ public/ rights/ preferential offer/ off market/ Inter-se transfer, ESOPs etc.)	Exchange on which the trade was executed
		(1) ²	(2) ³	(3) ⁴	(4) ⁵	(5) ⁶	(6) ⁷	(7) ⁸	(8) ⁹				

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
(ii) Value of transaction excludes taxes/ brokerage/ any other charges.

² Insert details regarding 'Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)'.

³ Insert details regarding 'Number and % shareholding'.

⁴ Insert details regarding 'Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)'.

⁵ Insert details regarding 'Number'.

⁶ Insert details regarding 'Value'.

⁷ Insert details regarding 'Transaction Type (Buy/Sale/Pledge/Revoke/Invoke)'.

⁸ Insert details regarding 'Type of security (For e.g. – Shares, Warrants, Convertible Debentures, etc.)'.

⁹ Insert details regarding 'Number and % shareholding'.