



**(REVISED) CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY
DESIGNATED PERSONS UNDER THE PREVENTION OF INSIDER TRADING**

ZF STEERING GEAR (INDIA) LIMITED

Registered Office: Gat No. 1242/44, Village Vadu Budruk,
Tal. Shirur, Dist, Pune – 412 216, Maharashtra, INDIA

(REVISED) CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS UNDER THE PREVENTION OF INSIDER TRADING

I. PREAMBLE

Securities and Exchange Board of India (“**SEBI**”) vide its Notification dated January 15, 2015, had issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**the Regulations**) and further amended the same vide its notifications dated December 31, 2018 and July 17, 2020, the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof.

Regulation 9 of the Regulations requires that Board of Directors of every listed company shall ensure that CEO/ MD formulates a code of conduct with their approval to regulate, monitor and report trading by its designated person and immediate relatives of designated person towards achieving compliance with the Regulations, adopting minimum standards as set out in Schedule B of the Regulations, without diluting the provisions of the Regulations in any manner.

In the above context, ZF Steering Gear (India) Limited (the “Company”) has formulated this Code as a part of Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting by insider of the Company.

II. DEFINITIONS

- A. “**Act**” means the Securities and Exchange Board of India Act, 1992.
- B. “**Board**” means the Board of Directors of the Company.
- C. “**The Code**” means this Code of Conduct formulated for Regulating, Monitoring and Reporting by Insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- D. “**Company**” means ZF Steering Gear (India) Limited.
- E. “**Compliance Officer**” means the Company Secretary or such other senior officer designated so, reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal & 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

F. **“Connected Person”** means:

- i. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
 - a. **A relative of connected persons specified in clause (i); or**
 - b. A holding company or associate company or subsidiary company; or
 - c. An intermediary as specified in Section 12 of SEBI Act, 1992 (**the Act**) or an employee or director thereof; or
 - d. An investment company, trustee company, asset management company or an employee or director thereof; or
 - e. An official of a stock exchange or of clearing house or corporation; or
 - f. A member of board of trustees of a mutual fund or a member of the Board of Directors of the asset management company of a mutual fund or is an employee thereof; or
 - g. A member of the Board of directors or an employee of a public financial institution as defined in section 2(72) of the Companies Act, 2013; or
 - h. An official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - i. A banker of the Company; or

- j. A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- k. a firm or its partner or its employee in which a connected person specified in clause (i) is also a partner; or
- l. (l). a person sharing household or residence with a connected person specified in clause (i) is also a partner

G. Designated Persons(s) shall include :

- i. Every Promoter/ Member of the Promoter Group of the Company
- ii. Every director of the Company;
- iii. Executive Assistant/Secretaries to Executive Directors;
- iv. Managing Director and Employee upto two level below the Managing Director of the Company;
- v. Every employee in the Corporate Secretarial, Taxation, Finance, Accounts, IT & Legal department irrespective of their role, designation etc.;
- vi. Any other employee/ person as may be determined by the Board from time to time in consultation with the management of the Company considering the objectives of the Code; and
- vii. Immediate Relatives of all the above persons.

H. **“Director”** means the Director as defined under Companies Act, 2013.

I. **“Employee”** means every employee of the Company whether permanent or contractual basis including the Directors in the employment of the Company.

J. **“Financial Literate”** means a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows.

K. **“Generally available Information”** means information that is accessible to the public on a non- discriminatory basis.

L. **“Immediate relative”** means a spouse of a person and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

M. **“Insider”** means any person who is:

- a. A connected person; or
- b. In possession of or having access to unpublished price sensitive information.

Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered as an "insider" regardless of the manner in which one came into possession of or had access to such information. Various circumstances are provided to enable such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person levelling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

N. **“Key Managerial Personnel (KMPs)”** means:

- a. Executive Directors;
- b. Chief Financial Officer;
- c. Company Secretary;

“Legitimate Purpose” shall include sharing of unpublished price sensitive information in ordinary course of business by an Insider with Partners, Collaborators/ Lenders, Customers, Suppliers, Merchant Banker, Legal Advisors, Auditors, Insolvency Professionals or other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

O. **“Managing Director”** means a managing director as defined under the Companies Act, 2013.

P. **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

(PP) **“Promoter group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

Q. **“Relative”** means:

- i. spouse of the person;

- ii. **parent of the person and parent of its spouse;**
- iii. **sibling of the person and sibling of its spouse;**
- iv. **child of the person and child of its spouse;**
- v. **spouse of the person listed at sub-clause (iii); and**
- vi. **spouse of the person listed at sub-clause (iv)**

- R. **“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.
- S. **“Stock Exchange”** means National Stock Exchange of India Ltd. and BSE Ltd.
- T. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- U. **“Takeover regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- V. **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly.
- W. **“Trading Day”** means a day on which the recognized stock exchanges are open for trading;
- X. **“Unpublished Price Sensitive Information”** means any information relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily be 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;
 - e. changes in key managerial personnel
 - f.
- Y. **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- Z. **“Whistle Blower”** means an employee who reports instance of leak of price sensitive information under this Policy.

AA. **“Informant”** means an individual(s), who voluntarily submits to the Board a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.

BB. **“Informant Incentive Committee”** means the High Powered Advisory Committee constituted by the Board in the manner as specified under Regulation 11 of the SEBI (Settlement Proceedings) Regulations, 2018.

CC. **“Irrelevant or Vexatious Information”** means reporting of the information, which in the opinion of the Board:

- i. Does not Contain Violation of Insider Trading Laws
- ii. Is rendered solely for the purpose of malicious prosecution
- iii. Is rendered intentionally in an effort to waste the time and resource of the Company.

DD. **“Original Information”** means any relevant Information submitted in accordance with the Insider Trading Regulations pertaining to the violation of Insider Trading Laws that is:

- i. Derived from the knowledge and analysis of the Informant
- ii. Not Known to the Company from any other source, except where the Informant is the Original Source of Information
- iii. Is sufficiently credible and Timely.
- iv. Not exclusively derived from an allegation made in a judicial or administrative hearing etc., except where the informant is the original source of Information.
- v. Is not irrelevant or frivolous or vexatious

EE. **“Reward”** means any gratuitous amount for which an informant is eligible as per this code and under Insider Trading Regulations.

FF. **“Voluntarily providing Information”** means providing the Company with information before receipt of any request, inquiry, or demand from the Board by the Company.

Terms that have not been defined in this code shall have the same meaning assigned to them in the Act, SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (**the Listing Regulations**), SEBI (Prohibition of Insider Trading) Regulations, 2015, and/or any other SEBI Regulation(s) as amended from time to time.

III. Periodical Reporting to the Board/ Audit Committee

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 & to the Chairman of the Board of Directors at half yearly intervals.

IV. Communication or Procurement of Unpublished Price Sensitive Information

- A. All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
- B. Designated Persons and immediate relatives of designated persons in the Company shall be governed by an internal code of conduct governing dealing in securities.
- C. 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:
 - i. immediate relatives
 - ii. persons with whom such designated person(s) shares a material financial relationship
 - iii. Phone, mobile and cell numbers which are used by them
 - iv. 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.
- D. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive

information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

- E. 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 the sharing of such 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 purposes as mentioned hereinabove and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

- c. In case of trade during restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- d. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.

V. Reporting of Transactions

A. Initial Disclosure

Every person, on being appointed as KMP or a director of the Company or upon becoming a promoter or Member of the Promoter Group, shall disclose his holding of

securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter in Form B (Annexure VII).

B. Continual Disclosure

Every Promoter/ Member of the Promoter Group & Designated Person shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction, if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10 lakhs in Form C (Annexure VIII).

Provided that the Designated Persons shall make disclosures to the Company even if the changes are within the aforementioned limits.

a. The Company at its discretion, may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in order to monitor compliance with these regulations, in form D (Annexure IX).

b. The disclosure shall be made within 2 trading days of the execution of the transaction.

C. Disclosure by the Company to the Stock Exchange(s)

Within 2 trading days of the receipt of intimation under Clause IX (B) (a) & (b), the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

VI. Mechanism on Internal Control

For ensuring adequate and effective system of internal controls in line with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the following procedure shall be followed:

A. Sharing of information pursuant to Legitimate Purpose

- a. Any person in receipt of Unpublished Price Sensitive information pursuant to legitimate purpose shall be considered Insider for the purpose of the Code.
- b. Advance Notice shall be served on such person by way of email/ letter to maintain confidentiality while in possession of such Unpublished Price Sensitive information.
- c. Such person has to ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the Code.

B. Limited Access to Confidential Information

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

C. Non-Disclosure Agreement

The Company shall execute Non-Disclosure Agreement with:

- a. Parties which are existing as on 31st March, 2019 and with whom the Company has shared Unpublished Price Sensitive information; and
- b. Parties with whom the Company intends to share any Unpublished Price Sensitive information.

D. Documents to be shared by Designated Persons with the Company

Designated person shall be required to disclose names and PAN or any other identifier authorized by law, of the following persons, to the Company, on an annual basis and as when the information changes:

- a. Immediate Relatives;
- b. Person with whom such designated person(s) share a material financial relationship; &
- c. Phone, mobile and cell number which are used by them.

In addition, the name of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation: 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 loan/gift during immediate

preceding 12 months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

E. Chinese Wall

- a. 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 sale/marketing/operations or other departments providing support services, considered "public areas".
- b. Demarcation of the various departments as inside area may be implemented by the Company.
- c. The employees in inside area may be physically segregated from employees in public area.
- d. The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.
- e. In exceptional circumstances, Designated Persons from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the compliance officer.

F. Digital Database

The Company shall maintain digital database with time stamping and audit trails to ensure non – tampering of the data base containing following information:

- a. Name and PAN of the person/ entity(ies) with whom information is shared pursuant to Legitimate Purposes.
- b. Name and PAN of Designated persons along with their immediate relatives.

G. Whistle Blowing in case of leak of Unpublished Price Sensitive Information ("UPSI")

- i. Any instance of leak of UPSI should be on the basis of a direct first-hand experience of the Whistle Blower/ Informant. It should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication.
- ii. The Whistle Blower may report leak of UPSI by an email to the Audit Committee/ Managing Director at his e-mail ID mentioning the subject line "LEAK OF UPSI".

- iii. On the basis of reporting, the Managing Director shall conduct examination about the genuineness of the reporting before conduct of inquiry.
- iv. The Managing Director as soon as ascertaining the genuineness of the reporting about leak of UPSI, intimate to Board of Directors and Audit Committee.
- v. The Company shall take further action based on the recommendations of Board of Directors and Audit Committee accordingly.
- vi. 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.
- vii. The Whistle Blower shall not be subject to termination, demotion, threats, harassment, suspension or discrimination in any manner, directly or indirectly irrespective of whether the information is considered or rejected by the Company or SEBI.
- viii. However the Whistle Blower shall be held liable if the information is found to be Irrelevant or Vexatious in terms of Chapter IIIA of the Regulations.

XI. Process to be followed in sensitive transaction(s)

- A. In case of Specific Transaction(s). The Managing Director shall give prior notice to employee who are brought inside on sensitive transaction(s) and also made aware about the duties and responsibilities attached to receipt of insider information and liability that attaches to misuse or unwarranted use of such information on case to case basis.
- B. In general Non-disclosure Agreement shall be executed with every incoming/ existing employee of the Company.

XII. Penalty for Contravention

- 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 dependents).

- 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 Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans etc.
- C. 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.

XIII. Other Restrictions

- A. The disclosures to be made by any person under this Code shall include those relating to ' trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.
- B. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.

XIV. SEBI Regulations/Statutory Provisions to Prevail

Please note that in case of any inconsistency between this Code and SEBI Regulations owing to any changes/ modifications, amendments or re-enactment thereof in the SEBI regulations or any statutory provisions of the Act, the SEBI regulations/ statutory provisions of the act will prevail.

XV. Severability

If any clause(s) of this code or the application thereof becomes inconsistent with the provisions of the SEBI Regulations or Statutory provisions of the Act thereof, as mentioned earlier, in such case, the clauses of this code shall remain in force to the extent they are consistent with the SEBI Regulations or Statutory provisions made thereunder and the Designated Persons shall abide by the same accordingly.

This policy is only internal code of conduct and one of the measures to avoid Insider trading. It will be the responsibility of each employee to ensure compliance of SEBI Guidelines and other related statutes.

February 8, 2025

Chairman