



Persistent

Code of Conduct — Prevention of Insider Trading

**Pursuant to the Securities and Exchange Board of India
(Prohibition of Insider Trading) Regulations, 2015**

May 2023

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Part I: Overview of Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time (hereinafter referred to as “the Regulations”), have been laid down to prevent “Insider Trading”.

“Insider Trading” takes place when any person who is or was connected with Persistent Systems Limited (the ‘Company’) or deemed to have been connected with the company and who has or can be reasonably expected to have access to Unpublished Price Sensitive Information, deals in the securities of the company on the basis of the Unpublished Price Sensitive information, informs, communicates, counsels or procures any Unpublished Price Sensitive information to any person should not deal in securities of the company while in possession of such Unpublished Price Sensitive Information.

Such dealings may tend to cause the Insider to unfairly gain or unfairly avoid losses vis-à-vis the ordinary investors.

Definitions

1\ Chief Investor Relations Officer

For the purpose of this Code, the Chief Investor Relations Officer will be such person who would be designated by the Board of Director of the Company from time to time.

2\ Compliance Officer

In terms of Clause 2(c) of the Regulations, “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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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 listed company or the head of an organization, as the case may be.

Explanation: For the purpose of this regulation, “financially literate” shall mean 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”.

3\ Connected Person

In terms of Clause 2(d) of the Regulations, “Connected Person” means any person who:

- 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 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.
 - \ An immediate relative of connected persons specified in clause (i); or
 - \ A holding company or associate company or subsidiary company; or
 - \ An intermediary as specified in section 12 of the Securities Exchange Board of India Act, 1992 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

["public financial institution" means:

 - The Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956.
 - The Infrastructure Development Finance Company Limited, referred to in clause (vi) of sub-section (1) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act.
 - Specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

- Institutions notified by the Central Government under sub-section (2) of section 4A of the Companies Act, 1956 so repealed under section 465 of the Companies Act, 2013.
- Such other institution as may be notified by the Central Government in consultation with the Reserve Bank of India.

Provided that no institution shall be so notified unless:

- It has been established or constituted by or under any Central or State Act; or
 - Not less than fifty-one per cent. of the paid-up share capital is held or controlled by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments.]
- \ An official or an employee of a self-regulatory organization recognized 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 per cent. of the holding or interest.

Explanation: For the purpose of this definition the words “Connected Persons” shall mean any immediate relative of the connected persons.

Note: A connected person shall include an employee who has been in the employment of the Company and has left / resigned / retired from the Company and had access to the Unpublished Price Sensitive Information. In such cases, all the restrictions applicable to the connected person shall become applicable to such person and he / she shall be restricted from trading the shares in violation of this Code.

4\ **Contra-Trade** means an opposite transaction i.e., a transaction to sell shares after buying shares or vice versa.

5\ **Generally Available Information**

In terms of Clause 2(e) of the Regulations, Generally Available Information means information that is accessible to the public on a non-discriminatory basis.

Explanation: For the purpose of this definition the words “Generally Available Information” shall mean any information published on the website of the Company and on the website of the Stock Exchanges where the securities of the Company are listed.

6\ Immediate Relative

In terms of Clause 2(f) of the Regulations, “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.

7\ Insider

In terms of Clause 2(g) of the Regulations, Insider means a person who:

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

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider”.

8\ Legitimate Purpose

For the purposes of this Code, Legitimate purposes shall mean the legitimate purpose as defined in the Code of Fair Disclosure as follows:

The Unpublished Price Sensitive Information can be shared by the concerned person for the following legitimate purposes.

- a. Legal requirements
- b. Government requirements
- c. Auditing purpose
- d. Certification for special purpose
- e. Directions of Managing Director / Executive Director / Board of Directors

Explanation: For the purpose of illustration, the term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, 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.

9\ Person deemed to be a connected person

“A person is deemed to be a connected person” if such person:

- a. Is a company under the same management or group or any subsidiary company thereof within the meaning of section (1B) of section 370, or sub section (11) of Section 372, of the Companies Act, 1956 (1 of 1956) or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969) as the case may be; or
- b. Is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub-broker, Investment Company or an employee thereof, or, is a member of the 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 who has a fiduciary relationship with the company; or
- c. Is a relative of any of the aforementioned persons as per Section 2(77) of the Companies Act, 2013; or
- d. Is a banker of the company.

10\ Promoter

In terms of Clause 2(h) of the Regulations, “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.

11\ Regulations

“Regulations” shall mean Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

12\ Takeover Regulations

In terms of Clause 2(k) of the Regulations, “takeover regulations” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

13\ Trading

In terms of Clause 2(l) of the Regulations, “trading” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly.

14\ Trading Day

In terms of Clause 2(m) of the Regulations, “trading day” means a day on which the recognized stock exchanges are open for trading.

15\ Unpublished Price Sensitive Information

In terms of Clause 2(n) of the Regulations, “unpublished price sensitive information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- a. Periodical financial results of the Company.
- b. Intended declaration or recommendation of dividends (both interim and final).
- c. Issue of securities or buy-back of securities or any other corporate action resulting to change in capital structure.
- d. Any major expansion plans or execution of new projects.
- e. Amalgamation, mergers or take-overs, de-mergers, acquisitions, delisting’s, and such other transactions.
- f. Disposal of the whole or substantial part of the undertaking.
- g. Significant changes in the policies, plans or operations of the Company; and
- h. Changes in key managerial personnel.
- i. Any other information which may be considered as UPSI by Function Head/s in consultation with CEO / CFO of the Company which may or may not be material in nature for the Company.

Words and expressions used and not defined in these regulations but defined in 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 thereunder shall have the meanings respectively assigned to them in those legislation.

In terms of the Regulations, every listed company is mandatorily required to formulate and implement a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these Regulations.

Restrictions on Communication and Trading by Insiders

Pursuant to Clause 3 and 4 of the Regulations respectively, “An Insider” cannot do the following:

- 1\ Communicate, provide, allow access to, or counsel or procure (directly or indirectly), any Unpublished Price Sensitive Information, relating to the Company or securities listed or proposed to be listed, to any other person unless it is required in the ordinary course of business or profession or employment or under any law.
- 2\ Deal in securities of the company either on his own or on behalf of any other person, while in possession of any Unpublished Price Sensitive Information. An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with respect to the certain transaction which are provided in Part II.

Trading Plans

Gives an opportunity to the insider to plan the trades to be executed in future. It gives an option to persons who may be perpetually in possession of unpublished price sensitive information and enables them to trade in securities in a compliant manner as the trades had been pre-decided even before the unpublished price sensitive information came into being. There are certain additional duties of Compliance officer with respect to the reviewing, approving and monitoring the Trading Plan.

Disclosures to be made

There are certain initial and continual disclosures to be made by Promoters, Key Managerial Personnel, Directors, their immediate relatives and by any person for whom such person takes trading decision or Officers of the Company in terms of Regulation 7. Such disclosures are to be maintained for a minimum period of five years.

Communication or Procurement of Unpublished Price Sensitive Information

Pursuant to Regulation 3 (1) and (2), no person shall communicate, provide, allow access to, or counsel or procure (directly or indirectly), any Unpublished Price Sensitive Information to any other person unless it is required for legitimate purpose, in the ordinary course of business or profession or employment or under any law.

Regulation 3 (3) provides for exemption to the above in the transactions specified below:

- 1\ A transaction that makes it obligatory to make an open offer under the takeover regulations where the Board of Directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company.
- 2\ A transaction that does not make it obligatory to make an open offer under the takeover regulations but where the Board of Directors of the listed 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.

Code of Internal Procedures and Conduct

Among other entities, every listed company is required to frame, and adopt appropriate mechanism and procedures to enforce Code of Conduct to regulate, monitor and report Insider Trading. It is also required to follow a Code of Practices and Procedures for Fair Disclosure Principles mentioned in Schedule A and to observe the Minimum Standards for Code of Conduct for the Designated Persons of the Company as mentioned in Schedule B to the Regulations and for the intermediaries and fiduciaries as mentioned in Schedule C to the said Regulations.

The Board of Directors head(s) of the organization of the intermediaries and fiduciaries will formulate a code of conduct to regulate, monitor and report trading by their designated persons and immediate relative of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule C to these regulations, without diluting the provisions of the said regulations in any manner.

Explanation: Professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc., assisting or advising listed companies shall be collectively referred to as fiduciaries for the purpose of these regulations.

Note: This is only an overview of the Regulations intended for brief reference. It will be the responsibility of each employee to ensure full compliance with SEBI guidelines and other related statutes. Employees as well as other readers are advised to refer to the detailed provisions of the Regulations and not to act merely on the basis of this overview.

Part II: Code of Conduct for Prevention of Insider Trading

Purpose

This document explains the policy in respect of the Code of Conduct for Prevention of Insider Trading for dealing in Securities of **Persistent Systems Limited (“the Company”)** to be observed by all Directors and Designated Persons or any such persons as mentioned in this Code.

This Code of Conduct is mandatory, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (hereinafter referred to as “the Regulations”).

The objective of this document is to communicate the Code of Conduct for dealing in Securities of the Company and maintaining confidentiality of the Price Sensitive Information by all Directors and Designated Persons or any such persons as mentioned in this Code.

The underlying principles in defining the Code of Conduct are to:

- a. Help maintain the standards of business conduct.
- b. Help Promoters, Directors, Key Managerial Personnel, Designated Persons and any such persons as mentioned in this Code to perform their duties according to the highest ethical standards of honesty, integrity, accountability, confidentiality and independence.
- c. Ensure confidentiality of all Unpublished Price Sensitive Information of the Company shared pursuant to legitimate purposes, its business and affairs and make no use of it other than for furtherance of the Company’s interest.
- d. Ensure compliances of all applicable laws and regulations including Company’s internal Codes of Conduct and Policies and;
- e. Ensure and enable the Company to achieve highest standards of corporate governance.

Important Terms

- a. “Code” or “Code of Conduct” shall mean this code of conduct for prevention of Insider Trading and includes any amendment thereto.
- b. “Connected Person” shall mean any specified person or a person who has a professional or business relationship with the Company and such other person or category of persons mentioned in Regulation 2(d) of the Regulations.
- c. “Director” shall mean all the Directors of the Company whether executive, non-executive or independent.

d. “Designated Persons” shall mean

The Board of Directors or such other analogous authority shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:

- \ Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their Board of Directors or analogous body.
- \ Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors.
- \ All promoters and the promoter group of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries.
- \ Chief Executive Officer and employees up to two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information.
- \ Any support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.

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

- \ Immediate relatives
- \ Persons with whom such designated person(s) shares a material financial relationship
- \ Phone, mobile, and cell numbers which are used by them

In addition, names of educational institutions from which designated persons have studied 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 a loan or gift during the immediately preceding twelve 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. “Employee” includes permanent and contractual employees, associates, consultants and trainees of the Company and its subsidiaries.
- f. “Securities” shall mean securities of the Company which includes:
 - \ Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature.
 - \ Puts, calls or any other option on the Company’s Securities even though they are not issued by the Company.
 - \ Futures, derivatives and hybrids and;
 - \ Such other instruments as may be declared to be such by the Compliance Officer from time to time.
- g. “Threshold Limit” shall mean the dealing limit in Securities specified in Clause 11 of this Code as revised from time to time by Board of Directors of the Company in consultation with the Compliance Officer. All Promoters, Directors, Key Managerial Personnel and Designated Persons intending to deal in the Securities of the Company beyond the Threshold Limit should pre clear their transaction as per procedure mentioned in the Code.
- h. “Trading Window” is a period to be specified by the Company for trading in the Company’s Securities by Promoters / Directors / Key Managerial Personnel / Designated Persons and their Immediate Relatives. Promoters / Directors / Key Managerial Personnel / Designated Persons and their Immediate Relatives will not be able to deal in Company’s Securities if the Trading Window is intimated as being closed by the Company. The detailed information about opening and closing of Trading Window is given in Clause 10 of this Code. The Trading Window shall be closed during the time Price Sensitive Information remains unpublished and shall open 48 hours after the information is made public.

(Note: For the meaning of the terms “Deemed Connected Person”, “Immediate Relative”, “Insider” “Insider Trading”, “Price Sensitive Information”, “Promoter”, “Regulations”, “Trading” and “Unpublished Price Sensitive Information” see Part I of this document.)

Applicability

The following persons will be covered by the Code of Conduct:

Sr. No.	Clause	Applicability
1	Prohibition on Insider Trading	Promoters, Promoter Group, Directors, Key Managerial Personnel and all the Employees including Designated Persons and their Immediate Relatives
2	Preservation of Price Sensitive Information	Promoters, Promoter Group, Directors, Key Managerial Personnel and all the Employees including Designated Persons and their Immediate Relatives
3	Trading Window-opening and Closing	Promoters / Directors / Key Managerial Personnel / Designated Persons and their Immediate Relatives. Trading Window Closure shall also be applicable to any person having a contractual or fiduciary relationship with the Company. Therefore, it will be also applicable to Auditors, Accountancy Firms, Law Firms, Analysts, Consultants, etc., assisting or advising the Company.
4	Threshold Limit & Pre-clearance	Promoters / Directors / Key Managerial Personnel / Designated Persons and their Immediate Relatives
5	Disclosures	Promoters / Directors / Key Managerial Personnel / Designated Persons and their Immediate Relatives
6	Penalty for Contravention of the Code	Promoters, Promoter Group, Directors, Key Managerial Personnel and all the Employees including Designated Persons and their Immediate Relatives
7	Miscellaneous	Promoters, Promoter Group, Directors, Key Managerial Personnel and all the Employees including Designated Persons and their Immediate Relatives

Trading Window Closure restrictions on intermediaries and fiduciaries.

The compliance officer of the intermediaries and fiduciaries will be responsible for maintaining a list of persons handling the Unpublished Price Sensitive Information of the Company and will restrict such Designated Persons of the intermediaries and fiduciaries from trading of shares of the Company. The Compliance officer of the intermediaries and fiduciaries shall maintain a 'restricted list' which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

Codes of Fair Disclosure and Conduct

The Board of Directors has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for events and occurrences that can be impact prices of the securities. The Code will be applicable to the Designated Persons and the immediate relatives of the Designated Persons of the Company.

The Code also requires intermediaries and fiduciaries to formulate a Code of Conduct for the persons handling the Unpublished Price Sensitive Information of the Company and will be monitored as per the SEBI Regulations and Code formulated by the concerned firm / organization.

The intermediaries and fiduciaries are required to provide a quarterly report to the Company on the adherence of the SEBI Regulations. The same will be placed in the quarterly Board meeting of the Company.

In case of violation of the Code, the Compliance officer of the intermediaries and fiduciaries shall intimate the same to SEBI under intimation to the Company.

The Company has to adhere to the following principles of:

- a. Equality of access to information.
- b. Publication of policies on Dividend.
- c. Inorganic growth pursuits.
- d. Analysts calls and meetings.
- e. Publication of transcripts of such call and meetings; and the like.

Every such Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information will be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

Institutional Mechanism for Prevention of Insider Trading

The Company, intermediaries and fiduciaries shall have following mechanism for prevention of insider trading.

- 1\ The Audit Committee / Board of Directors of the Company should place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

The Chief Executive Officer, Managing Director or such other analogous person of an intermediary or fiduciary shall put in place adequate and effective system of internal controls

to ensure compliance with the requirements given in these regulations to prevent insider trading.

- 2\ The internal controls shall include the following:
 - a. All employees who have access to unpublished price sensitive information are identified as designated employee.
 - b. All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations.
 - c. Adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations.
 - d. 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.
 - e. The Company shall maintain a Structured Digital Database (SDD) as prescribed by the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any other regulations as may be applicable or amended from time to time.
 - f. All other relevant requirements specified under these regulations shall be complied with;
 - g. Periodic process review to evaluate effectiveness of such internal controls.
- 3\ The Board of Directors of the Company and the Board of Directors or head(s) of the organization of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of this regulation.
- 4\ The Audit Committee of a the Company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- 5\ The Company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.
- 6\ The Company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

The whistle-blower policy can be found at: <https://www.persistent.com/investors/corporate-governance/ethical-practices-at-persistent-systems/whistle-blower-policy/>.

- 7) If an inquiry has been initiated by a listed company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with such inquiry conducted by listed company.

Procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

In case there is a leakage of unpublished price sensitive information or suspected leakage of unpublished price sensitive information, the Company will take the following steps:

- a. The access of the concerned person to unpublished price sensitive information will be removed immediately.
- b. The Compliance Officer to inform Chairman and Managing Director, Chief Financial Officer and Internal Audit Team about the leakage of unpublished price sensitive information or suspected leak of unpublished price sensitive information, as the case may be.
- c. The other people on the Project / activity, wherein the leakage has occurred and who are under Chinese wall procedures will take due precautions to not to discuss it further.
- d. The management to appoint an Investigation Committee for making the inquiry and it will adhere to strict timelines for the closure of the investigation.
- e. Once the Investigation report is completed, a disciplinary action will be taken against the concerned employee.
- f. The details of such leakage will be presented to the Board of Directors in its meeting. The details to be placed before the Board of Directors of the Company will include instance of the leakage, efforts taken to control the damage, the investigation report along with the disciplinary action taken in this regard, and;
- g. The Compliance Officer will inform SEBI about the instance, action taken in this regard and also the preventive measure to be taken after the activity is completed.

The instances of leakage from the end of intermediaries, fiduciaries and such other entities will be handled by the Head / Executive Management of the respective organization as per their respective Code of Conduct. Since it is leakage of the Company's information, the same needs to be intimated to the Company as soon as the event happens / notified; and the Compliance Officer of the Company will be looped in for all the communications. The intermediaries, fiduciaries and such other entities are required to cooperate in all such inquiries by the Company and SEBI.

In such cases, the Board of Directors of the Company will take note of the same; and may take appropriate disciplinary action against the intermediaries, fiduciaries and such other entities.

Compliance Officer — Role and Responsibility

The Company Secretary of the Company shall be the compliance officer of the Company (“Compliance Officer”) and for this purpose he shall report to the Chairman and Managing Director of the Company and function under the supervision of the Board of Directors. In the event of any vacancy in the office of the Compliance Officer, such other person as appointed by the Chairman and Managing Director shall be the Compliance Officer for the period till the next incumbent is appointed to the office of the Compliance Officer. In the absence of the Compliance Officer due to leave or any other reason, the officer designated by the Managing Director shall discharge the function of the Compliance Officer. For cases involving the Company Secretary, the Compliance Officer shall report the matter to the Chairman and Managing Director of the Company. For cases relating to the Chairman and Managing Director, the Compliance Officer shall report the matter to the Chairman of the Audit Committee of the Board of Directors.

The Compliance Officer’s duties shall include the following:

- a. Setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information.
- b. Pre-clearing of trades of the Promoters, Directors, Key Managerial Personnel and Designated Persons and / or through their Immediate Relatives beyond Threshold Limit specified from time to time.
- c. Monitoring of trades.
- d. Procuring list of Immediate Relatives from the Promoters, Directors, Key Managerial Personnel, Officers, and Designated Persons.
- e. Maintaining a record of the Directors, Designated Persons and their Immediate Relatives and any changes to the list thereof.
- f. Assisting and providing clarifications to all the employees regarding the SEBI Insider Trading Regulations and the Company’s Code of Conduct.
- g. Informing the Promoters, Directors, Key Managerial Personnel and Designated Persons of Trading Window, its opening and closing periods and determining the closure of Trading Window in additional cases.

- h. Considering and / or approving applications for waiver of holding period of trades by the Promoters, Directors, Key Managerial Personnel, Designated Persons and their Immediate Relatives after recording reasons thereof.
- i. Reviewing 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.
- j. Notify the Trading Plan to Stock Exchanges where the securities of the Company are listed.
- k. Maintaining records of all statements or declarations given by the Promoters, Directors, Key Managerial Personnel, Designated Persons and their Immediate Relatives regarding their holdings for a minimum period of 3 (three) years as prescribed under the model Code of Conduct under the Regulations.
- l. Placing before the Managing Director on a monthly basis (as on the last date of each month) all details of pre-clearance for dealings in Securities sought by the Promoters, Directors, Key Managerial Personnel and Designated Persons, with the relevant accompanying documents.
- m. Report to the Board of Directors and to the Chairman of the Audit Committee on quarterly basis.
- n. Informing the Stock Exchanges of any Price Sensitive Information on immediate basis.
- o. Informing SEBI of any violation of the Regulations as soon as the Compliance Officer becomes aware of such violation.
- p. Notifying the intermediaries, fiduciaries and such entities about the Code of Conduct to prevent Insider trading and take quarterly reports of due adherence to SEBI Regulations from their end.
- q. To ensure that the gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- r. Implementation of the Code of Conduct.
- s. Administer the Code of Conduct and monitor compliance with other requirements under these Regulations.

Duties of Compliance Officer with respect to Trading Plans.

- a. The Compliance Officer would have to review and approve the Trading Plan. He is entitled to seek such express undertaking as may be necessary to enable the assessment and to approve and monitor the implementation of plan. For doing so, he may need the insider to declare that he is not in possession of Unpublished Price Sensitive Information or that he would ensure that any Unpublished Price Sensitive Information in his possession becomes generally available before he commences executing his trades. Once satisfied, he may approve the trading plan, which would then have to be implemented in accordance with these Regulations.
- b. The implementation of the trading plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. 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.
- c. Once the Trading Plan is approved, the Compliance Officer shall notify the plan to the Stock Exchanges on which the securities are listed.

Prohibition on Insider Trading

An Insider including but not limited to Promoters, Directors, Key Managerial Personnel, Designated Persons and their Immediate Relatives is prohibited from:

- 1\ Dealing in Securities on its own or on behalf of any other person directly or indirectly when in possession of any Unpublished Price Sensitive Information;
- 2\ Communicating, counseling or procuring directly or indirectly any Unpublished Price Sensitive Information to any person who while in possession of such Unpublished Price Sensitive Information shall not deal in Securities. Provided that this is not applicable for any communication made by Insider in the ordinary course of business, profession, employment or under any law.
- 3\ Communicating, counseling or procuring directly or indirectly any Unpublished Price Sensitive Information to any person by way of recommendation to buy or sell or not to buy or sell the Securities of the Company.

An Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with respect to the following transaction.

- 1\ Transactions that make it obligatory to make an open offer under the Takeover Regulations.

The Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the company.

It is intended to acknowledge the necessity of communicating, providing, allowing access to or procuring Unpublished Price Sensitive Information for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to assess a potential investment.

In an open offer under the Takeover Regulations, not only would the same price be made available to all shareholders of the company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations.

2\ Transactions that do not make it obligatory to make an open offer under the Takeover Regulations.

The Board of Directors of the Company is of informed opinion that it is in the best interests of the company.

The information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the sharing of such information as given in the Part III of this Code.

The Board of Directors would cause public disclosures of such Unpublished Price Sensitive Information well before the sharing of such information to rule out any information asymmetry in the market.

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.

Trading when in possession of Unpublished Price Sensitive Information.

An insider shall not trade in securities that are listed or proposed to be listed on a Stock Exchange when he / she in possession of Unpublished Price Sensitive Information.

However, the insider may prove his innocence by demonstrating the circumstances including the following:

- 1\ 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 Regulation 3 and both parties had made a conscious and informed trade decision. Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of these regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- 2\ 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 regulation 3 and both parties had made a conscious and informed trade decision.

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of these regulations.

- 3\ The transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- 4\ 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.
- 5\ In the case of non-individual insiders:
 - a. The individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such Unpublished Price Sensitive Information when they took the decision to trade.
 - b. Appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached.
- 6\ The trades were pursuant to a Trading Plan set up in accordance with Regulation 5.

Preservation of Price Sensitive Information

- 1\ “Need to Know Basis”: Promoters, Directors, Key Managerial Personnel and Designated Persons should disclose Unpublished Price Sensitive Information only to those within the Company who need the information to discharge their lawful duties and whose possession of such information will not give appearance of misuse of the information (“Need to Know Basis”). All the Employees acquiring the Unpublished Price Sensitive Information shall ensure that the disclosure is strictly on a Need-to-Know Basis. No Promoter, Director, Key Managerial Personnel, Designated Persons and other Employee shall pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company.

- 2\ Confidentiality of Price Sensitive Information: Promoters, Directors, Key Managerial Personnel, Designated Persons and all other Employees shall maintain the confidentiality of all Price Sensitive Information. If they are circulating it on a “need to know” basis then they should send the same in a sealed envelope superscribed as “Private” or “Privileged” or “Confidential Information” or “Envelope to be opened by addressee only” or in a similar manner. No Promoter, Directors, Key Managerial Personnel, Designated Persons and other Employees shall disclose, directly or indirectly, the Unpublished Price Sensitive Information except as per prevalent corporate disclosure policy or on a “Need to Know Basis”.
- 3\ Promoters, Directors, Key Managerial Personnel, Officers, Designated Persons and all other Employees in possession of confidential information should ensure that the relevant files are kept secure and under lock and key. Computer files must have adequate security of login, password etc. Information sent through electronic media should be marked “Confidential Information” at the top of the information sent.
- 4\ Not to solicit or procure Unpublished Price Sensitive Information: No Employee including Designated Persons shall solicit or seek or attempt to solicit or seek Unpublished Price Sensitive Information regarding the Company from any other person including the Auditors except where the information is required to disclose to it on a Need-to-Know Basis.
- 5\ All Employees shall immediately report the breach of any provisions of this Code or of the Regulation to the Compliance Officer.
- 6\ In case of specific transactions such as merger, amalgamation or takeover, it will be the responsibility of the leader of the task force to ensure that no member of the task force divulges any Unpublished Price Sensitive Information to anyone and does not trade on the basis of information available with him. The leader of the task force has to take written oath regarding the same from each member of the task force.
- 7\ Some Clauses of this Code require compliances from the Immediate Relatives of the Promoter, Director, Key Managerial Personnel, Designated Persons. Promoter, Directors, Key Managerial Personnel, Designated Persons respectively shall be responsible for the compliance of this Code by their Immediate Relatives.

Trading Plan

In terms of Regulation 5, the insider is provided with an option to trade in securities in a compliant manner in the following manner:

- 1\ An insider is entitled to formulate a trading plan which has to be approved by the Compliance Officer and a public disclosure of such plan has to be made.
- 2\ A Trading Plan can be commenced only after 6 months from the date of the public disclosure. Such a period is considered reasonably long for unpublished price sensitive information that is in possession of the insider when formulating the trading plan, to become

generally available. However, this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same Unpublished Price Sensitive Information both at the time of formulation of the plan and implementation of the same.

- 3\ The Trading Plan should not entail / provide for the trades to be made from the twentieth trading day prior to the last day of the financial period for which the results are required to be announced and the second trading day after the disclosure of such financial results. The Trading Plan is envisaged to be an exception to the general rule prohibiting trading by insiders when in possession of Unpublished Price Sensitive Information, it is important that the trading plan does not entail trading for a reasonable period around the declaration of financial results as that would generate Unpublished Price Sensitive Information.
- 4\ The Trading Plan has to be made for a minimum period of at least 12 months.
- 5\ Only one Trading Plan can be made to cover the trades to be made in a particular period.
- 6\ The Trading Plan should 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;
- 7\ The Plan should not entail trading in securities for market abuse. For instance, in the event of manipulative timing of the release of Unpublished Price Sensitive Information to ensure that trading under a trading plan becomes lucrative in circumvention of regulation 4 being detected, it would be open to initiate proceedings for alleged breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.
- 8\ The Plan once approved by the Compliance Officer 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.

Note: The implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available 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. This is intended to address the prospect that despite the six-month gap between the formulation of the Trading Plan and its commencement, the unpublished price sensitive information in possession of the insider is still not generally available.

- 9\ Once the Trading Plan is approved, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.
- 10\ The pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

- 11\ Trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

Trading Window — Opening and Closing

- 1\ The Promoter, Directors, Key Managerial Personnel, Designated Persons and their Immediate Relatives while they are not in the possession of Unpublished Price Sensitive Information may trade in the Securities of the Company when the Trading Window is open. Promoter, Directors, Key Managerial Personnel, Officers, Designated Persons and their Immediate Relatives shall not trade in the Securities of the Company when the Trading Window is closed. Promoter, Directors, Key Managerial Personnel and Designated Persons should ensure that the Trading Window is open prior to entering into any transaction on trading in the Securities of the Company.

Provided that employees are not prevented from exercising their stock options during the time the Trading Window is closed. However, shares obtained on exercise of options cannot be traded in any manner during the time the Trading Window is closed.

- 2\ Trading Window shall remain closed during the events which may include as follows:

Sr. No.	Event	Window to remain close	
		From	To
1	Declaration of Financial Results for the quarter ended June 30	Earlier of the date of the circulation of the agenda for the meeting of the Board or the end of June 23	48 hours after submission of financial results to the Stock Exchange
2	Declaration of Financial Results for the quarter and period ended September 30	Earlier of the date of the circulation of the agenda for the meeting of the Board or the end of September 23	As Above
3	Declaration of Financial Results for the quarter and period ended December 31	Earlier of the date of the circulation of the agenda for the meeting of the Board or the end of December 24	As Above
4	Declaration of Financial Results for the quarter and year ended March 31	Earlier of the date of the circulation of the agenda for the meeting of the	As Above

		Board or the end of March 24	
5	Declaration and recommendation of Dividends (Interim or Final)	Earlier of the date of the circulation of the agenda for the meeting of the Board of Directors or Intimation to Stock Exchange of the date of Board Meeting wherein the proposal for dividend will be considered.	48 hours after intimation of Board's decision to the Stock Exchange
6	Issue of Securities by way of public or rights or bonus, split, buyback or any, etc.	Earlier of the date of the circulation of the agenda for the meeting of the Board of Directors or Intimation to Stock Exchange of the date of Board Meeting wherein the proposal for issue of securities will be considered.	48 hours after intimation of Board's decision to the Stock Exchange
7	Any major expansion plans or execution of new projects or contracts	Earlier of the date of the circulation of the agenda for the meeting of the Board of Directors or Intimation to Stock Exchange of the date of Board Meeting wherein the proposal for major expansion plans or execution of new projects or contracts will be considered.	48 hours after intimation of Board's decision to the Stock Exchange
8	Amalgamation, merger, de-merger, delisting, takeover, asset acquisitions and expansion of business	Earlier of the date of the circulation of the agenda for the meeting of the Board of Directors or Intimation to Stock Exchange of the date of Board Meeting wherein the proposal for amalgamation, merger,	48 hours after intimation of Board's decision to the Stock Exchange

		de-merger, delisting, takeover, asset acquisitions and expansion of business will be considered.	
9	Disposal of whole or substantially whole of the undertaking	Earlier of the date of the circulation of the agenda for the meeting of the Board of Directors or Intimation to Stock Exchange of the date of Board Meeting wherein the proposal for disposal of whole or substantially whole of the undertaking will be considered.	48 hours after intimation of Board's decision to the Stock Exchange
10	Any changes in plans, policies or operations of the Company	Earlier of the date of the circulation of the agenda for the meeting of the Board of Directors or Intimation to Stock Exchange of the date of Board Meeting wherein the proposal for change in plans, policies or operations of the Company will be considered.	48 hours after intimation of Board's decision to the Stock Exchange

Provided that:

- a. As regards closure of Trading Window in respect of other Price Sensitive Information of the Company, the Compliance Officer will decide and intimate to all concerned, the date of closure of Trading Window and re-opening thereof at the appropriate time.
- b. The Compliance Officer may also declare that the Trading Window shall be closed for an additional period for specified Employees for a described period from time to time ("Additional Closure").
- c. Where the Company expects the Stock Exchange to maintain the confidentiality of any information intimated to the Stock Exchange, the Trading Window will open 48 hours after the information is made public by the Company.

- d. The gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- 3\ The Trading Window shall be considered open at all other times except when it is closed as specified in the Clause 10(b).

Threshold Limit and Pre-Clearance

1\ Threshold Limit

The Threshold Limit is a limit fixed by the Board of Directors beyond which any dealing in Securities by the Promoter, Directors, Key Managerial Personnel, Designated Persons and their Immediate Relatives shall require a pre-clearance by the Compliance Officer. Such limits shall be fixed by the Board of Directors in consultation with the Compliance Officer and will be notified by the Compliance Officer from time to time. The Threshold Limit as on the date of effect of this Code of Conduct is transaction value of **INR 10,00,000** in a calendar quarter, except for the exercise of stock options by employees (either in one transaction or in a series of transactions).

2\ Pre-Clearance Procedure

Promoter, Directors, Key Managerial Personnel and Designated Persons and their Immediate Relative who intend to deal in the Securities of the Company beyond Threshold Limit in a calendar quarter should pre-clear the transaction(s) with the Compliance Officer of the Company. This is a mandatory requirement, and they shall not apply for pre-clearance if they are in possession of Unpublished Price Sensitive Information even when the Trading Window is open. The following procedure shall be followed for pre-clearance:

- a. Application should be made to the Compliance Officer of the Company in the form annexed hereto as **Annexure A**. One original will be returned to the Promoter / Director / Key Managerial Personnel / Designated Persons with the decision of the Compliance Officer endorsed on it.
- b. An undertaking in the form annexed hereto as **Annexure A1 and A2** shall be executed in favour of the Company by such Promoter / Director / Key Managerial Personnel / Designated Persons along with the said application.
- c. The Compliance Officer will endeavour to decide on the application for pre-clearance within 2 (two) working days of receipt of the application. The Compliance Officer is entitled to seek declarations to the effect that the applicant is not in possession of Unpublished Price Sensitive Information. He will decide whether such declaration is reasonably capable of being rendered inaccurate. He may refuse to pre-clear the transaction in appropriate cases keeping in mind the object of this Code.

- d. Promoters, Directors, Key Managerial Personnel and Designated Persons should ensure that they have got a pre-clearance from the Compliance Officer before executing their order in respect of the Securities of the Company.
- e. The Promoter / Director / Key Managerial Personnel / Designated Persons shall execute their order in respect of the Securities of the Company and / or as the case may be within 7 (seven) calendar days after pre-clearance is given. They shall intimate the execution of the trade to the Compliance Officer in the format given in **Annexure F** within two trading days of the execution of the transaction.
- f. If the order is not executed within 7 (seven) calendar days after the approval is given, the Promoter / Director / Key Managerial Personnel / Designated Person must disclose the reason for not carrying out the transaction in Annexure A3 and get the transaction pre-cleared again by following the procedure for pre-clearance.

3\ **Minimum Holding Period**

All Promoters, Directors, Key Managerial Personnel, Designated Persons and / or through their Immediate Relatives 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 six months following the prior transaction. All Promoters, Directors, Key Managerial Personnel and Designated Persons shall also not take positions in derivative transactions of the Securities of the Company at any time.

Provided that, in the case of subscriptions in the primary markets (IPO), the holding period for the Securities obtained from such IPO shall commence when the Securities are actually allotted and continue for a period of 30 days thereafter.

4\ **Waiver of Minimum Holding Period**

If the Promoter, Director or Key Managerial Personnel or Designated Person requires waiving the holding period, he or she should apply to the Compliance Officer for such waiver in the format annexed hereto as **Annexure B**. The waiver may be granted only in the case of personal emergency. The Compliance Officer shall with his recommendation refer the matter to the Chairman and Managing Director for his direction before approving any waiver of the minimum holding period.

If a contra trade is executed, inadvertently or otherwise, in violation of these restriction of minimum holding period, the profits from such trade shall be liable to be disgorged to SEBI who shall credit the same to the Investor Education and Protection Fund.

The above provisions with regard to minimum holding period are not applicable to exercise of stock options and trades carried out in accordance with the approved trading plan.

5\ Advice regarding Pre-Clearance

In case of a doubt about the applicability of this Clause 11 to a proposed transaction in the Securities, Promoter, Director, Key Managerial Personnel or Designated Person shall be responsible to check with the Compliance Officer.

Disclosures

- \ The disclosures to be made by any person shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- \ The disclosure of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account.
- \ These disclosures shall be maintained by the Company for a period of 5 (Five) years.

Summary of Disclosure requirements under Clause 12.

Sr. No.	Particulars	Clause	Form
1	Initial Disclosures		
	Promoter / Key Managerial Personnel / Director / Immediate Relative as defined in Regulation 6 (2) by June 15, 2015.	11(I)(a) & (b)	D
	On appointment as a Key Managerial Personnel / Director / Promoter within 7 Days from such appointment or becoming a Promoter.	11(I)(a) & (b)	E
2	Continual Disclosures		
	Promoter / Employee (including Designated Persons) / Director / Immediate Relative as defined in Regulation 6 (2) disclose to Company securities acquired / disposed within 2 trading days of the transaction if value exceeds Ten Lakh rupees in calendar quarter.	11(I)(c)	F
	Company shall notify the particulars of such trade to the Stock Exchanges within 2 trading days of receipt of disclosure or becoming aware of such information.	11(II)	F
3	Disclosures by other connected Persons		
	Consultants / Advisor / Auditors / Secretarial Auditors and the like.	11(III)	G

1\ By Promoter / Director / Key Managerial Personnel

- a. A Promoter, Director, Key Managerial Personnel shall disclose to the Compliance Officer of the Company the number of Securities or voting rights held and positions taken in derivatives by him or her and / or his or her Immediate Relatives, in the Company within:

- \ 30 (Thirty) days of the date on which this Regulation comes into effect i.e., within 30 days from May 15, 2015.
- \ 7 (Seven) days of his or her becoming a Promoter, Director, Key Managerial Personnel or Officer.

The said disclosure may be made in the form annexed hereto as **Annexure D and E respectively**. This will also cover “Nil” disclosures.

- b. A Promoter, Director, Key Managerial Personnel shall make a disclosure to the Compliance Officer of the Company regarding the details of his / her Immediate Relatives within:

- \ 30 (Thirty) days of the date on which this Regulation comes into effect i.e., within 30 days from May 15, 2015.
- \ 7 (Seven) days of his or her becoming a Promoter, Director, Key Managerial Personnel.

The said disclosure shall be made in the form annexed hereto as **Annexure D and E respectively**. This will also cover “Nil” disclosures.

- c. A Promoter, Director or Key Managerial Personnel or employee (including Designated Persons) shall also make a disclosure to the Compliance Officer of the Company, the number of shares or voting rights held and change in shareholding or voting rights, if there is any change in holding of Securities of his or her and his / her Immediate Relative, from last disclosure made and if such change exceeds **Rs. 10,00,000** (Rupees Ten Lakhs only) in value of securities traded, whether in one transaction or a series of transactions over any calendar quarter within 2 (two) trading days of such transaction.

Explanation: It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure shall be made when the transactions effected after the prior disclosure cross the threshold of Rs. 10,00,000 (Ten Lakhs only) in value of the traded securities.

The said disclosure shall be made in the form annexed hereto as **Annexure F**.

2\ Disclosure by the Company to the Stock Exchanges

- a. The Company shall within 2 trading days of receipt of the disclosure or becoming aware of such information, shall disclose to the BSE Limited and the National Stock Exchange of India Limited on which the Securities of the Company are listed, the information received under above para (I)(c).
- b. The aforesaid disclosure shall also be made through electronic filing in accordance with the system devised by the Stock Exchanges.
- c. The said disclosure shall be made in the form annexed hereto as **Annexure F**.

3\ By other Connected Persons

All the connected persons shall yearly disclose to the Compliance Officer of the Company the number of Securities held by him or her, in the Company within 1 month from the end of every financial year.

The said disclosure may be made in the form annexed hereto as **Annexure G**. This will also cover “Nil” disclosures.

Penalty for Contravention of Code of Conduct

- 1\ Any Promoter, Director, Key Managerial Personnel and Designated Person who trades in Securities or communicates any information for trading in Securities in contravention of this Code of Conduct may be penalized and appropriate action may be taken against him or her by the Company.
- 2\ Any Promoter, Director, Key Managerial Personnel and Employee who violates the code of conduct shall also be subject to disciplinary action by the Company which action may include salary freeze, suspension, recovery, claw back, termination of position / employment ineligibility for future participation in ESOP schemes of the Company and/or such other action as may be decided by the Board of Directors.
- 3\ This action shall not preclude SEBI from taking any action for violation of the Regulations. To protect the interests of the investors and in the interests of the securities market and for due compliance with the provisions of the Act, regulations made thereunder issue any or all of the following orders, namely:
 - a. Directing the Insider not to deal in Securities in any particular manner.
 - b. Prohibiting the Insider from disposing of any of the Securities acquired in violation of the Regulations.
 - c. Restraining the insider from communicating with or counseling any person to deal in Securities.

- d. Declaring the transaction(s) in Securities as null and void.
 - e. Directing the person who acquired the Securities in violation of these regulations to deliver the Securities back to the seller.
 - f. Directing the person who has dealt in Securities in violation of the Regulations to transfer an amount or proceeds equivalent to the cost price or market price of Securities, whichever is higher to the investor protection fund of a recognized stock exchange.
- 4\ In case it is observed by the Company that there has been a violation of Regulations, Company shall promptly inform SEBI about the same.
- 5\ Any person who contravenes or attempts to contravene or abets the contravention of the provisions of the Regulations, he shall be punishable with imprisonment for a term which may extend to **ten years** or with **fine, which may extend to Twenty-Five crore rupees** or **with both**.

Miscellaneous

- 1\ The Board of Directors shall intimate to the Compliance Officer any changes in policies so as to enable him to notify the Designated Persons accordingly.
- 2\ The Board of Directors of the Company reserves the right to change / amend this Code of Conduct from time to time at its sole discretion and / or in pursuance of any amendments made to the Regulations without giving prior notice.
- 3\ All correspondence with regard to this Code should be sent to the Compliance Officer and marked "Confidential".
- 4\ This Code of Conduct shall come into effect from May 15, 2015.

A copy of the SEBI Regulations is available at the official website of SEBI (Currently at <http://www.sebi.gov.in/>). Employees are advised to peruse the SEBI Regulations carefully and acquaint themselves with all the provisions contained therein. Clarification / assistance may be sought from the Compliance Officer.

This policy is only an internal code of conduct and only one of the measures to prevent insider trading. This is framed substantially in accordance with the guidelines laid down by SEBI to preserve the confidentiality of Unpublished Price Sensitive Information and for prevention of misuse of such information. In case of conflict between this Code of Conduct and SEBI Regulations the SEBI Regulations will prevail. It will be the responsibility of each Director or Officer or Designated Employee or Employee and every insider to ensure compliance with SEBI guidelines and other related statutes in full.

Part III: Code of Corporate Disclosure Practices for Prevention of Insider Trading (to be updated as per the new code placed on website)

Purpose

As per Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015 (hereinafter referred to as 'Regulations'), every Listed Company is required to follow the Code of Corporate Disclosure Practices as specified in Schedule A for prevention of insider trading and prompt dissemination of Price Sensitive Information. This document reproduces the Code of Corporate Disclosure Practices as applicable to **Persistent Systems Limited** ("Company").

Fair Disclosure of Unpublished Price Sensitive Information

To ensure timely and adequate disclosure of unpublished price sensitive information, the following norms shall be followed by the Company.

Prompt Disclosure of Price Sensitive Information

- 1\ Price sensitive information shall be given by the Company to stock exchanges and disseminated on a continuous and immediate basis.
- 2\ Company may also consider ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

Overseeing and Coordinating Disclosure

- 1\ The Company has designated Chief Financial Officer as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- 2\ The company has also designated Company Secretary as the Compliance Officer to oversee corporate disclosure. The Board may designate any other senior official for the said purpose.
- 3\ The officials shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of unpublished price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.
- 4\ Information disclosure / dissemination may normally be approved in advance by the official designated for the purpose by the Compliance Officer.

- 5) If information is accidentally disclosed without prior approval, the person responsible may inform the designated officer immediately, even if the information is not considered price sensitive.

The Board of Directors or head(s) of the organization of the intermediaries and fiduciaries will formulate a code of conduct to regulate, monitor and report trading by their designated persons and immediate relative of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule C to these regulations, without diluting the provisions of the said regulations in any manner.

The intermediaries and fiduciaries are required to provide a quarterly report to the Company on the adherence of the SEBI Regulations. The same will be placed in the quarterly Board meeting of the Company.

Responding to Market Rumors

- 1) The Company shall have clearly laid down procedures for responding to any queries or requests for verification of market rumors by exchanges.
- 2) The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the disclosure.

Timely Reporting of Shareholdings or Ownership and Changes in Ownership

Disclosure of shareholdings / ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Securities Exchange Board of India Act, 1992 (15 of 1992) and the listing agreement shall be made in a timely and adequate manner.

Disclosure or Dissemination of Price Sensitive Information with Special Reference to Analysts, Brokers, Researchers and / or Institutional Investors

Company should follow the guidelines given hereunder while dealing with Analysts, Brokers, Researchers and / or Institutional Investors:

- 1) Only Public information to be provided – Company shall provide only public information to the analyst or research persons or large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.
- 2) Recording of discussion – In order to avoid misquoting or misrepresentation, it is desirable that at least two company representatives be present at meetings with Analysts, Brokers, Researchers and / or Institutional Investors and discussion should preferably be recorded.

- 3\ Simultaneous release of Information – When Company organizes meetings with Analysts, Brokers, Researchers and / or Institutional Investors, the Company shall make a press release or post relevant information on its website after every such meet. The Company may also consider live web casting of analyst meets.
- 4\ Making Transcripts or records of proceedings of Meeting with Analyst and other Investor Relations Conferences: The Company shall make transcripts or records of proceedings of meetings with Analysts, Brokers, Researchers and / or Institutional Investors and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

Medium of Disclosure or Dissemination

- 1\ Disclosure / dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- 2\ The company shall ensure that disclosure to stock exchanges is made promptly.
- 3\ The company may also facilitate disclosure through the use of their dedicated Internet website.
- 4\ Company websites may provide a means of giving investors direct access to analyst briefing material, significant background information and questions and answers.
- 5\ The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the company website.

Dissemination by Stock Exchanges

- 1\ The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.
- 2\ Information furnished by the companies under continuous disclosure requirements should be published on the website of the exchange instantly.
- 3\ Stock exchanges should make immediate arrangements for the display of the information furnished by the companies instantly on the stock exchange website.

Preservation of Price Sensitive Information

The Company, intermediaries, fiduciaries, and such entities shall handle all the Unpublished Price Sensitive Information strictly on “Need to Know Basis”.

Promoters, Directors, Key Managerial Personnel and Designated Persons should disclose Unpublished Price Sensitive Information only to those within the Company and Connected

Persons who need the information to discharge their lawful duties and whose possession of such information will not give appearance of misuse of the information (“Need to Know Basis”).

All the Employees and Connected Persons acquiring the Unpublished Price Sensitive Information shall ensure that the disclosure is strictly on a Need-to-Know Basis.

No Promoter, Director, Key Managerial Personnel, Designated Persons, Connected Persons and other Employees shall pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company.

Prohibition of Retaliation

Retaliation is strictly prohibited under this Code. Any employee who reports violations under this Code will be protected against any termination, demotion, suspension, threats, harassment, etc.

Disclaimer

- 1\ The Company shall not be responsible or liable for any violation or contravention by any Designated Person or their Immediate Relatives.
- 2\ 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.

Annexure to Part II — Code of Conduct

Annexure A

Form for Application for Pre-Clearance (Applicable while dealing in Securities beyond the Threshold Limit)

Date: _____

The Compliance Officer

Persistent Systems Limited
“Bhageerath”, 402, Senapati Bapat Road,
Pune- 411 016, Maharashtra, India

Dear Sir,

I, [_____] Promoter / Director / Key Managerial Personnel / Designated Person working in the [_____] BU / Department holding [_____] nos. of [_____] (type of security) of the Company in my name / in joint names / through my Immediate Relatives, details thereof being given below:

Folio no(s).

DP ID

Client ID

Name(s)

Nature of Securities

No. of Securities

I wish to buy / sell / subscribe to (tick whichever is applicable) [_____] (specify nature of security) of the Company.

I request you to give your pre-clearance for the aforesaid transaction.

I am enclosing the statement of holding in Form 'A1' as on _____ and undertaking required in terms of the Code of Conduct in Form 'A2' for your perusal in this connection.

Yours faithfully,

Signature

Name of Promoter / Director / Key Managerial
Personnel / Designated Person

BU / Department

Encl.: Undertaking as required

Pre-clearance Order

This is to inform you that your request for dealing in [_____] Securities of the Company as mentioned in your aforesaid application is approved / disapproved.

If approved:

Please note that the said transaction must be completed on or before _____(date) that is within 7 working days from today.

If not approved, reasons for refusal: _____

Signature of the Compliance Officer

Date: _____

Annexure A1

Statement of Holding at the time of Pre-Clearance

Date: _____

The Compliance Officer

Persistent Systems Limited

“Bhageerath”, 402, Senapati Bapat Road,

Pune- 411 016, Maharashtra, India

1\ Details of Shareholding of Promoters / Directors / Designated Persons:

a. Name, PAN and Address of Directors / Designated Persons:

Name: _____ PAN: _____

Address: _____

b. No. of Securities held by Directors / Designated Persons:

Folio No. _____ DPID & Client ID _____ No. of Securities _____

c. Nature of Transaction for which Approval is sought: _____

d. No. of Securities to be dealt: _____

2\ Details of Shareholding of Immediate Relative:

a. Name and PAN of Immediate Relative:

Name: _____ PAN: _____

b. No. of Securities held: Folio No. _____ DPID & Client ID _____ No. of Securities _____

c. Nature of Transaction for which Approval is sought: _____

d. No. of Securities to be dealt: _____

I / We declare that I/we have or will complied / comply with the requirement of the minimum transaction, period of six months.

Signature

Name of Promoter / Director / Key Managerial
Personnel / Designated Person

BU / Department

Annexure A2

Form of the undertaking (Annexure to Form for Application for Pre-clearance)

Date: _____

The Compliance Officer

Persistent Systems Limited
"Bhageerath", 402, Senapati Bapat Road,
Pune- 411 016, Maharashtra, India

Dear Sir,

I, [_____] (name) Promoter / Director / Key Managerial Personnel / Designated Person of [_____] BU / Department undertake as follows:

- 1\ That all the statements made in the pre-dealing application form are correct and I have not contravened any of the provisions of the Code of Conduct.
- 2\ That I will not execute the transaction if I have any Unpublished Price Sensitive Information.
- 3\ That I will execute the transaction within 7 days of pre-clearance and inform you the details immediately on execution of the transaction.
- 4\ That in case I do not execute the transaction within 7 days, I shall report the reasons for the same to the Compliance Officer in Annexure A3 and not execute the transaction unless I get the same pre-cleared again.
- 5\ That I shall hold the Securities purchased / subscribed to for a minimum period of 6 months (In case of any proposed sale before 6 months, application will be made to you for waiver of the holding period of 6 months).
- 6\ That I shall not buy shares from open market / off market through ESOP for a minimum period of 6 months.

Signature

Name of Promoter / Director / Key Managerial
Personnel / Designated Person

BU / Department

Annexure A3

Form for Reporting of Decision not to Trade after Securing Pre-clearance.

Date: _____

The Compliance Officer

Persistent Systems Limited
"Bhageerath", 402, Senapati Bapat Road,
Pune- 411 016, Maharashtra, India

Dear Sir,

I, [_____] (name) Promoter / Director / Key Managerial
Personnel / Designated Person of [_____] BU / Department would like to inform
you that no transaction was carried out for the pre-clearance approval obtained on <date
dd/mm/yy>. The reasons for not carrying out the transaction: _____

Signature

Name of Promoter / Director / Key Managerial
Personnel / Designated Person

BU / Department

Annexure B

Application for Waiver of Minimum Holding Period

Date: _____

The Compliance Officer,
Persistent Systems Limited
"Bhageerath", 402, Senapati Bapat Road,
Pune- 411 016, Maharashtra, India

Dear Sir,

Folio No. _____ / D.P. ID. No. _____ Client I.D. No. _____

I request you to grant me waiver of the minimum holding period of 6 months as required by the Code of Conduct with respect to [_____] nos. of [_____] (specify nature of security) of the Company held by me / [_____] (name of Dependent) singly / jointly acquired by me on.....(date). I desire to deal in the said Securities on account of..... (give reasons).

Thanking you,

Signature

Name of Promoter / Director / Key Managerial
Personnel / Designated Person

BU / Department

Remarks of Compliance Officer: _____

Signature of the Compliance Officer

Date: _____

Annexure C

Statement of Holding with or through Immediate Relatives

Date: _____

The Compliance Officer,
Persistent Systems Limited
“Bhageerath”, 402, Senapati Bapat Road,
Pune- 411 016, Maharashtra, India

I, _____ Promoter / Director / Key Managerial Personnel / Designated Person of BU / Department presently holding nos. of _____ (specify nature of security) of the Company in my name / in joint names / through my Dependents give hereunder a list of my Immediate Relatives as defined in the Code of Conduct of the Company:

Sr. No.	Full Names of Immediate Relatives	Relationship

I undertake to keep you informed of any changes in the above within 2 trading days of such change.

Yours faithfully,

Signature _____

Name of Promoter / Director / Key Managerial Personnel / Designated Person _____

BU / Department _____

Annexure D

Form A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (a) read with Regulation 6 (2)].

Name of the company: Persistent Systems Limited

ISIN of the company: INE262H01013

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

Name, PAN No., CIN / DIN & address with contact nos.	Category of Person (Promoters / KMP / Directors / Immediate Relatives / Others, etc.)	Securities held as on the date of regulation coming into force	% of Shareholding	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		
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures, etc.)	No.	Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
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Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name	
Signature	
Designation	
Date	
Place	

Annexure E

Form B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2)].

Name of the company: Persistent Systems Limited

ISIN of the company: INE262H01013

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

Name, PAN No., CIN / DIN & address with contact nos.	Category of Person (Promoters or member of the promoter group / KMP / Directors / Immediate Relatives / others, etc.)	Date of appointment of Director / KMP OR Date of becoming Promoter/or member of the promoter group	Securities held at the time of becoming Promoter / appointment of Director / KMP	% of Shareholding	Open Interest of the Future contracts held at the time of Becoming Promoter or member of the promoter group / appointment of Director / KMP	Open Interest of the Option Contracts held at the time of Becoming Promoter or member of the promoter group / appointment of Director / KMP
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Type of security (For e.g. – Shares, Warrants, Convertible Debentures, etc.)	No.	Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
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Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name	
Signature	
Designation	
Date	
Place	

About Persistent

With over 22,750 employees located in 21 countries, Persistent Systems (BSE & NSE: PERSISTENT) is a global services and solutions company delivering Digital Engineering and Enterprise Modernization. We work with the industry leaders including 14 of the 30 most innovative companies as identified by BCG, 8 of the top 10 largest banks in the US and India, and numerous innovators across the healthcare and software ecosystems. As a participant of the United Nations Global Compact, Persistent is committed to aligning strategies and operations with universal principles on human rights, labour, environment, and anti-corruption, as well as take actions that advance societal goals.

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