



**SILLY MONKS  
ENTERTAINMENT LIMITED**

**CODE OF CONDUCT FOR PREVENTION OF  
INSIDER TRADING  
IN THE SECURITIES OF SILLY MONKS**

**Silly Monks Entertainment Limited**

**CIN: L92120TG2013PLC090132**

**Registered Office:** 301, Ektha Pearl, 2-17-89, B P Raju Marg, Kothaguda, Kondapur,  
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## **Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks**

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### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING** (Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)

[As revised and approved by the Board through Circular Resolution dated 30<sup>th</sup> April, 2020 and the amendments made in this code shall become effective from 01<sup>st</sup> May, 2020]

#### **1. Objective of the Code:**

- 1.1** Insider Trading means trading in Securities of a company by its Directors, Employees and other Insiders while in possession of Unpublished Price Sensitive Information ('UPSI').
- 1.2** With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**The Regulations**').
- 1.3** Sub-regulation (1) of Regulation 9 inter alia, requires all listed companies to frame a Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders by adopting the minimum standards as set out in Schedule B to the Regulations.
- 1.4** Sub-regulation (1) of Regulation 8 requires all listed companies to formulate and publish on its website, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information by adopting the minimum standards as set out in Schedule A to the Regulations.
- 1.5** In line with **SEBI (Prohibition of Insider Trading) Regulation, 2015**, the Board of Silly Monks Entertainment Limited ("**Silly Monks**" or "**The Company**"), approved and adopted the Code for Prevention of Insider Trading in the Securities of Silly Monks ("**The Code**") to put in place a framework for Regulating, Monitoring & Reporting of Trading by designated persons and immediate relatives of the designated persons of the Company and to strengthen the legal framework thereof.
- 1.6** The Code also aims to ensure confidentiality of Unpublished Price Sensitive Information (UPSI) and prevent misuse of such information and minimum standards are set for regulating, monitoring, timely reporting by the Promoter(s), directors, key managerial personnel, designated persons and connected persons of the Company.
- 1.7** The Code also endeavors to put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in SEBI (Prohibition of Insider Trading) Regulations 2015 to prevent insider trading.

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**1.8** The code of conduct also stipulates formats (as may be amended by the Board of Directors in compliance with the amendments to the Regulations) and rules of conduct to be followed by Designated Persons and their Immediate Relatives and is intended to serve as a guiding charter for all persons associated with its functioning. It is necessary that all Designated Persons and their Immediate Relatives are fully aware of the provisions of this Code.

### **2. Applicability:**

This Code shall apply to all Directors, Designated Persons (and their Immediate Relatives), officers and connected persons of the Company.

### **3. Definitions and Interpretation:**

**3.1** “**Act**” means the Securities and Exchange Board of India Act, 1992, as may be amended from time to times.

**3.2** “**Board**” means the Board of Directors of Silly Monks.

**3.3** “**Code**” or “**Code of Conduct**” means this Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks Entertainment Limited, as amended by the Board from time to time.

**3.4** “**Company**” or “**Silly Monks**” means Silly Monks Entertainment Limited.

**3.5** “**Compliance Officer**” means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI regulations, designated so and reporting to the Board of Directors, and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in SEBI regulations or in these Codes under the overall supervision of the Board of Directors of the Company or the Head of the Organisation.

**3.6** “**Connected Person**” means, -

- (i) Any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

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- (a) an immediate relative of connected persons specified in clause (i); or
- (b) a holding company or associate company or subsidiary company; or
- (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (d) an investment company, trustee company, asset management company or an employee or director thereof; or
- (e) an official of a stock exchange or of clearing house or corporation; or
- (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- (i) a banker of the company; or
- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his/her immediate relative or banker of the company, has more than ten per cent of the holding or interest;

**3.7 "Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Company either as principal or agent.

**3.8 "Designated Person"** will include the following:

1. The Promoter of the Company;
2. All persons forming a part of the promoter group of the Company;
3. Members of the Board of Directors of the Company including, executive or non-executive or independent directors;
4. Chief Financial Officer;
5. Functional heads;
6. Company Secretary;
7. All Employees of the Company working in Finance & Accounts, Secretarial, IT and Legal Departments;
8. Employees up to one level below Managing Director of the Company and its material subsidiary (If any);
9. Statutory Auditors, Internal Auditors, and Secretarial Auditors.

**3.9 "Director"** means a member of the Board of the Company.

**3.10 "Employee"** means every employee of the Company including the Directors in the employment of the Company.

**3.11 "Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis.

**3.12 "Immediate Relatives"** with respect to any person, means the spouse of a person, and includes, parents, siblings, and children of such person or of the spouse (whether minors or adults) who

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are either financially dependent on such person or consult with such person while taking decisions relating to trading in securities.

- 3.13 "Insider"** means any person who is,
- a) a connected person or
  - b) in possession of or having access to unpublished price sensitive information.
  - c) in receipt of unpublished price sensitive information pursuant to a **"legitimate purpose"**.
- 3.14 "Key Managerial Personnel"** means person as defined in Section 2(51) of the Companies Act, 2013.
- 3.15 "Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- 3.16 "Regulations"** means the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended.
- 3.17 "SEBI"** means Securities and Exchange Board of India.
- 3.18 "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.
- 3.19 "Stock Exchange"** mean the stock exchange where any Securities of Silly Monks are listed.
- 3.20 "Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 3.21 "Trading" or "Trade"** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in Securities and "trade" shall be construed accordingly.
- 3.22 "Trading Day"** means a day on which the recognized Stock Exchange is open for Trading.
- 3.23 "Trading Plan"** has the meaning ascribed to in Clause 7.
- 3.24 "Trading Window"** has the meaning ascribed to it in Clause 8.
- 3.25 "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 of Silly Monks and shall, ordinarily including but not restricted to, information relating to the following: –
- financial results;
  - dividends;
  - change in capital structure;
  - mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and
  - Change in Key Managerial Personnel.

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Words and expressions used and not defined in the code but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

### **4. Role of Compliance Officer:**

- 4.1** 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 at such frequency as may be stipulated by the Board of Directors at least once in a year.
- 4.2** The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and shall administer the Company's Code of Conduct and other requirements under the SEBI Regulations.
- 4.3** The Compliance officer shall see that a robust whistle blower policy is in place and properly propagated to employees to report on instances of leak/ alleged leak of UPSI

### **5. Restrictions on communication and Trading by Insiders:**

#### **5.1 Communication or procurement of Unpublished Price Sensitive Information**

- (1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (3) The UPSI shall be shared by any person(s) authorized by the Board of Directors of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;
  - i) Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
  - ii) Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
  - iii) Sharing of UPSI for discharge of legal obligation(s).
  - iv) Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Board of the Company.
  - v) Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

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Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

- (4) Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
- i) entail 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 proposed transaction is in the best interests of the company;
  - ii) not attract 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 the proposed transaction is in the best interests of the company and the information that constitute UPSI 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.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the company when in possession of UPSI.

- (5) The Board shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared which shall contain the following information;
- (i) Name of such recipient of UPSI;
  - (ii) Name of the Organization or entity to whom the recipient represents;
  - (iii) Postal Address and E-mail ID of such recipient;
  - (iv) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The Board shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.

### **5.2 Trading when in possession of unpublished price sensitive information**

- a) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI:

When a person who has traded in securities has been in possession of unpublished price sensitive information, his/her trades would be presumed to have been motivated by the knowledge and awareness of such information in his/her possession.



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Provided that the insider may prove his/her innocence by demonstrating the circumstances including the following: –

- I. the transaction is an off-market inter-se transfer between promoters 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 further that such off-market trades shall be reported by the insiders to the company within two working days. 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.

- II. The transaction was carried out through the block deal window mechanism between persons who were in possession of the UPSI 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.

- III. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- IV. 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

### **b) in the case of non-individual insiders: –**

- i) 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; and

- ii) 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;

- iii) the trades were pursuant to a trading plan set up in accordance with the procedure hereinafter specified.

- c) In the case of connected persons, the onus of establishing that they were not in possession of unpublished price sensitive information shall be on such connected persons.

### **6. Internal Code of Conduct to Regulate, Monitor and Report Trading by Insiders:**

The Code of Conduct is formulated to regulate, monitor and report trading by Designated persons and their immediate relatives towards achieving compliance with SEBI regulations, adopting the minimum standards set out in Schedule B thereto, without diluting the provisions thereof, in any manner.



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**6.1** Designated persons and their immediate relatives on the basis of their functional role ("designated persons as defined in clause 3.8 of this Code") in the Company shall be governed by the internal code of conduct.

**6.2** They may execute trades subject to compliance with this Code and SEBI Regulations.

**6.3 Need to know:**

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated, provided or allowed access, to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of legal obligations.

- i) "need to know" basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

**Limited access to confidential information:**

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

**7. Trading Plan:**

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

**7.1 Trading Plan shall:**

- i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
- iii) entail trading for a period of not less than twelve months;
- iv) not entail overlap of any period for which another trading plan is already in existence;
- v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi) not entail trading in securities for market abuse.

**7.2** The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of SEBI regulations and the Codes 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.

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

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

- 7.3** The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if 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.

- 7.4** Upon approval of the trading plan, the Compliance Officer shall notify the Plan to the stock exchange on which the securities are listed.

### **8. Trading Window and Window Closure:**

- 8.1** A notional trading window as specified herein below shall be used as an instrument of monitoring trading by the Designated Persons:

- i) The trading period, during which trading on Stock exchange is permitted as hereinafter provided is called "trading window";
- ii) The trade restriction period can be, inter alia, closed from the end of every quarter till 48 hours after the declaration of financial results;
- iii) 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;
- iv) When the trading window is closed, the Designated Persons and their immediate relatives shall not trade in the Company's securities in such period;
- v) All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) Above or during any other period as may be specified by the Company from time to time.
- vi) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

- 8.2** The Compliance Officer shall intimate the closure of trading window to all the designated Persons of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such

closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

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**8.3** The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, which shall be forty-eight hours after the information, becomes generally available.

### **9. Pre-Clearance of Trades:**

All Designated Persons, who intend to deal in the securities of the Company when the trading window is open and if the value of the proposed trades, whether in one transaction or a series of transactions over a calendar quarter is above Rs. 10 Lakhs (market value), should obtain pre-clearance from the Compliance Officer for each transaction.

#### **The pre-clearance procedure shall be as hereunder:**

- i) An application may be made in the prescribed Form (**Annexure 1**) to the Compliance Officer indicating the estimated number of securities that the Designated Person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by the Compliance Officer in that behalf.
- ii) A Declaration (**Annexure 2**) shall be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:
  - a) That the employee/Director/Officer does not have any access or is not in possession of 'Price Sensitive Information' up to the time of signing of the Declaration.
  - b) That in case the Designated Employee has access to receive 'Price Sensitive Information' after the signing of the Declaration but before the execution of the transaction he/she shall forthwith inform the Compliance Officer of the change in his/her position and that he/she shall refrain from dealing in the securities of the Company till the time such information becomes public and after a lapse of 48 hours thereof.
  - c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - d) That he/she has made a full and true disclosure in the matter.
- iii) Before granting pre-clearance in form (**Annexure 3**), the Compliance Officer shall have due regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- iv) All Specified/Designated Persons shall execute their order in respect of securities of the Company within 7 (seven) trading days from the date of the approval of pre-clearance. The Specified/Designated Persons shall file within 2 (Two) days of the execution of the

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- deal, the details of such deal and changes in the holdings, with the Compliance Officer in the prescribed form (**Annexure 4**). In case the transaction is not undertaken, a report to that effect shall be filed (**Annexure 4**).
- v) If the order is not executed within 7 (Seven) trading days from the date of approval is given, the employee/Director must seek fresh pre-clearance of the transaction.
- vi) All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction (shall not execute a contra trade) i.e., sell or buy any number of shares during the next six months following the prior transaction.  
All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.  
In case any contra trade is executed inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.  
However, such restriction shall not be applicable for trades pursuant to exercise of stock options.
- vii) The Compliance Officer may lift the ban on contra trade in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the trading window is closed.

### **10. Disclosures of Trading by Insiders:**

- 10.1** The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 10.2** The disclosures of trading in securities shall also include trading in derivatives of securities, if any permitted by law and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 10.3** The disclosures made under this Clause shall be maintained by the Company for a minimum period of five years, in such form as may be specified by SEBI;
- 10.4 Initial Disclosure:**
- a) Every promoter (member of the promoter group), key managerial personnel and director of the Company shall disclose his/her holding of securities of the Company as on the date of the regulations and the Code taking effect, to the Company within thirty days of the regulations and the Code taking effect;
- b) Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his/her holding of securities of the Company

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as on the date of appointment or becoming a promoter (member of the promoter group), to the Company within seven days of such appointment or becoming a promoter.

### **10.5 Continual Disclosures:**

- (a) Every promoter(member of the promoter group), Designated Person and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten Lakh) or such other value as may be specified by SEBI;
- (b) The Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause 10.5(a).

### **10.6 Disclosures by other connected persons:**

The Compliance Officer of the Company at his/her discretion may require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Company as and when he deems fit in order to monitor compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 in such form and at such frequency as may be determined by the Company.

- 10.7** 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:
- a) immediate relatives
  - b) persons with whom such designated person(s) shares a material financial relationship as defined in the regulation.
  - c) Phone, mobile and cell numbers which are used by them

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

## **11. Penalty for contravention of the code of conduct:**

- 11.1** Every Designated Person/Insider shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof applicable to his/her immediate relatives).
- 11.2** Any Designated Person/Insider who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Board of Directors of the Company.

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- 11.3** Designated Person/Insider who violate the Code shall also be subject to disciplinary action by the Board of Directors of the Company, which may include wage freeze, suspension etc.
- 11.4** The action by the Company shall be in addition to any action that may be taken by SEBI in case of violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- 11.5** In case if it is observed by the Board of Directors that there has been a violation of SEBI Regulations, they shall inform SEBI promptly.

### **12. Code of Fair Disclosure of Unpublished Price Sensitive Information:**

The code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering to each of the principles enunciated in Schedule A o SEBI (Prohibition of Insider Trading) Regulations, 2015, in pursuance of Regulation 8(1) thereof, is set out below:

The Company shall promptly intimate the Code and every amendment thereto, to the stock exchange where its securities are listed and place it on its website.

1. There shall be Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure shall be ensured.  
The disclosure of unpublished price sensitive information shall be made promptly to the Stock exchange where the securities are listed to ensure uniformity and prevent selectivity.
3. The Company Secretary and Compliance Officer of the Company is designated as chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. There shall be prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Board of Directors shall ensure that appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Board of Directors shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Board of Directors shall ensure that they develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.
9. **Corporate Disclosures**  
Chief Investor Relations Officer (CIRO) shall obtain prior approval of Chairman or Managing Director depending upon the nature of sensitivity of the information before releasing to the Stock exchange.

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In case of any doubt regarding release of information or understanding the nature of UPSI, the CISO shall consult and seek approval of Chairman or Managing Director or any other person who are expert in the domain.

If any UPSI is accidentally disclosed or disclosed selectively without prior approval, the person responsible for disclosing such information, shall inform Chairman or Managing Director and CISO immediately. On receipt of such information CISO in consultation with Chairman or Managing Director shall disclose the same to the stock exchange and also get the same posted on the website of the Company so as to make such information generally available.

### **13. Amendment and Modifications to the Code:**

The decision of the Board of Directors with regard to any or all matters relating to the code shall be final and binding on all concerned. This code shall be reviewed from time to time and the Board of Directors shall have the power to modify, amend or replace this code in part or full, as may be thought fit from time to time in their absolute discretion.

### **14. Details of the compliance officer:**

Any clarification with regard to the Code may be addressed to the Compliance Officer at the address given below:

Company Secretary & Compliance Officer  
Silly Monks Entertainment Limited  
301, Ektha Pearl, 2-17-89, B P Raju Marg,  
Kothaguda, Kondapur  
Hyderabad Telangana – 500084, India  
**Email:** investor@sillymonks.com

### **15. Disclaimer:**

The Insider Trading Code enumerated above is a framework for prohibition of Insider Trading in Securities of the Company. However, it is the responsibility of every Insider to familiarise and ensure compliance with this Code, SEBI (Prohibition of Insider Trading) Regulations or any amendment thereof and other applicable laws.

**THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. AGAIN, YOU ARE REQUESTED TO UNDERSTAND AND OBSERVE THE SPIRIT AND THE INTENT BEHIND THIS DOCUMENT. IT WILL BE THE RESPONSIBILITY OF EACH EMPLOYEE TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.**

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**Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks**

**Annexure - 1**

**Application for Pre-clearance**  
[Pursuant to Clause 9(i)]

Date:

To  
 The Compliance Officer,  
 Silly Monks Entertainment Limited

Dear Sir,

**Application for Pre-clearance of trading in securities of the Company**

With reference to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, I seek your approval to purchase / sale\* / subscribe \_\_\_\_\_ equity shares of the Company as per details given below:

1.	Name of applicant	
2.	Designation	
3.	No. of securities held as on date	
4.	Folio No. / DP ID / Client ID No.	
5.	PAN	
6.	Email ID & Contact No.	
7.	Nature of Relationship	
8.	The proposal is for	a) Purchase of securities b) Subscription to securities c) Sale of securities
9.	Proposed date of dealing in securities	
10.	No. of securities held as on the date of application	
11.	Estimated number of securities proposed to be acquired / subscribed / sold	
12.	Price at which transaction is proposed	
13.	Current market price (as on date of application)	
14.	Whether the proposed transaction will be through stock exchange or off market	
15.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

The statement of securities of the Company held as on \_\_\_\_\_ and my declaration in the prescribed format are enclosed for your perusal in this connection.

\*I declare that restriction with respect to the contra trade as stipulated in the Code of Conduct for Prevention of Insider Trading with respect to the securities, will be adhered to.

Signature: \_\_\_\_\_

**Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks**

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**Annexure -2**

**DECLARATION TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE  
DECLARATION**

To,  
**Silly Monks Entertainment Limited,**  
Hyderabad

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_\* shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of conduct for prevention of Insider Trading in the securities of the Company (**the Code**) up to the time of signing of this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this Declaration but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within one day of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 trading days from the date of approval of pre-clearance failing which I shall seek fresh pre-clearance.

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

Date:

\_\_\_\_\_

\* Indicate number of shares

Signature: \_\_\_\_\_

Name:

Client Id:

Email Address:

Contact:

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**FOR OFFICE USE**

Date & time of receipt of the Application :

Date & time of communication of the pre-clearance or otherwise :

Reasons for not giving pre-clearance, if any :

Signature of the Compliance Officer / Authorised Officer

**Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks**

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**Annexure - 3**

**PRE-CLEARANCE ORDER**

To,

Name : \_\_\_\_\_ Email Address : \_\_\_\_\_

Designation : \_\_\_\_\_ Client ID : \_\_\_\_\_

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

This is to inform you that your request for dealing in \_\_\_\_\_ (no's) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed within 7 trading days from today.

In case you do not execute the approved transaction /deal within the aforesaid period you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed format within one day from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary. You shall not execute a contra trade within 6 months from the date of your present trade.

Yours Faithfully,

**For Silly Monks Entertainment Limited**

**Compliance Officer**

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

**Encl.: Format for submission of details of transaction**

**Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks**

**Annexure - 4**

**REPORT OF TRADES EXECUTED/DECISION NOT TO TRADE WITH REASONS**

**[Pursuant to Clause 9(iv)]**

(To be submitted within one day of transaction / dealing in securities of the Company)

Date:

To  
The Compliance Officer,  
Silly Monks Entertainment Limited,  
Hyderabad

I hereby inform that in furtherance of your Pre-Clearance Order dated..... for Purchase/Sale of \_\_\_\_\_ Shares, OR I have not bought / sold/ subscribed any securities of the Company for the following reasons: \_\_\_\_\_

- have not bought / sold/ subscribed \_\_\_\_\_ securities of the Company on \_\_\_ date.

Name of holder	No. of securities dealt with	Bought / sold / subscribed	DP ID / Client ID / Folio No.	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 years and produce to the Compliance officer / SEBI any of the following documents:

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

I agree to hold the above securities for a minimum period of six months. I shall not enter into a contra trade within 6 months from the previous transaction.

## Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks

I submit the following details of change in holding of securities of the Company:

Name, PAN No. & address of shareholder	No. of securities held before the transaction	Receipt of allotment advice/acquisition of/sale of securities	Nature of Transaction & Quantity			Trading Member through whom the trade was executed with SEBI registration No. of TM	Exchange on which the trade was executed
			Purchase	Sale	Others		

Details of change in securities held by immediate relatives:

Name, PAN No. & address of shareholder and relationship	No. of securities held before the transaction	Receipt of allotment advice/acquisition of/sale of securities	Nature of Transaction & Quantity			Trading Member through whom the trade was executed with SEBI registration No. of TM	Exchange on which the trade was executed
			Purchase	Sale	Others		

I/ We declare that I/We have complied with the requirement of the minimum holding period of six months with respect to the securities purchased/sold.

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

Signature: \_\_\_\_\_

Name & Designation:

Client Id:

Email:

Contact:

**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: \_\_\_\_\_

ISIN of the Company: \_\_\_\_\_

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

Name, PAN, CIN/ DIN, & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relative to/ others etc.)	Securities held as on the date of regulation coming into force		% of share Holding	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 eg.- Shares, Warrants, Convertible Debentures etc.)	No.		Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9	10	11

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

Signature :  
 Designation :  
 Date :  
 Place :

## Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks

### FORM B

#### SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a director/KMP/Promoter]

Name of the Company : \_\_\_\_\_  
ISIN of the Company : \_\_\_\_\_

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

Name, PAN, CIN/ DIN, & addresses with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relative to/others etc.)	Date of appointment of Director /KMP or Date of becoming Promoter or member of Promoter Group	Securities held at the time of becoming Promoter/ Director/KMP		% of share Holding	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 eg.- Shares, Warrants, Convertible Debentures etc.)	No.		Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9	10	11	12

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

Signature : \_\_\_\_\_  
Designation : \_\_\_\_\_  
Date : \_\_\_\_\_  
Place : \_\_\_\_\_



## Code of Conduct for Prevention of Insider Trading in the Securities of Silly Monks

### Form C

### Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

#### [Regulation 7 (2) read with Regulation 6 (2)]

Name of the Company : \_\_\_\_\_

ISIN of the Company : \_\_\_\_\_

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

Name, PAN No., CIN/DIN & address of Promoter / Employee / Director with contact nos.	Category of Person (Promoters / KMP / Directors / immediate relatives/ others etc.)	Securities held prior to acquisition / disposal		Securities acquired / disposed		% of shareholding		Date of allotment advice / acquisition of shares / sale of shares specify		Date of intimation to Company	Mode of acquisition (market purchase/ public rights / preferential offer / off market / Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc.)				Exchange on which the trade was executed
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	from	to			Buy		Sell		
												Value	Number of Units (Contracts* lot size)	value	Number of Units (Contracts* lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Signature :

Designation :

Date :

Place :