

TOYOTA FINANCIAL SERVICES INDIA LIMITED
CODE OF CONDUCT FOR PREVENTION OF
INSIDER TRADING

Version 6.0

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I. INTRODUCTION

1. Title

This Code shall be known as “Toyota Financial Services India Limited Code of Conduct for Prevention of Insider Trading” (Code) made pursuant to Regulation 9 of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulation).

2. Applicability

The Code shall apply to designated persons and Immediate Relative of designated persons of Toyota Financial Services India Limited (the Company).

3. Definitions

- A. **“Act”** means the Securities and Exchange Board of India Act, 1992.
- B. **“Body Corporate”** means a body corporate as defined in section 2(11) of the Companies Act, 2013.
- C. **“Compliance Officer”** means Company Secretary or any other senior officer who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations who may be appointed as Compliance officer by the Board of Directors.
- D. **“Connected Person”** means:
 - a) Any person who is or has been, during the six months prior to the concerned act (trading in securities), associated with the Company, in any capacity, directly or indirectly, 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 professional or business relationship whether temporary or permanent, with the Company, that allows such person, directly or indirectly, to access Unpublished Price Sensitive Information (UPSI) or is reasonably expected to allow such access.
 - b) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
 - i. a relative of connected persons specified in clause D(a); or
 - ii. a holding company or associate company or subsidiary company; or
 - iii. an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, 1992 or an employee or director thereof; or
 - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
 - v. an official of a stock exchange or of clearing house or corporation; or
 - vi. a member of 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; or
 - vii. 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
 - viii. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - ix. a banker of the company; or
 - x. a concern, firm, trust, Hindu undivided family, company, or association of persons wherein a director of a company or his relative or banker of the Company, has more than ten per cent. of the holding or interest; or
 - xi. a firm or its partner or its employee in which a connected person specified in sub-clause (a) of clause (D) is also a partner; or

- xii. a person sharing household or residence with a connected person specified in sub-clause (a) of clause (D).
- E. **“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.
- F. **“Relative”** shall mean the following:
- a) Spouse of the person.
 - b) Parent of the person and parent of its spouse.
 - c) Sibling of the person and sibling of its spouse.
 - d) Child of the person and child of its spouse.
 - e) Spouse of the person listed at sub-clause c) and
 - f) Spouse of the person listed at sub-clause d).
- G. **“Designated Person”** means and includes:
- a) All the Directors and Key Managerial Personnel of the Company.
 - b) Employees of the Company, intermediary or fiduciary designated on the basis of their functional role or access to UPSI in the Company by the Board of Directors or analogous body.
 - c) All promoters of Company and promoters who are individuals or investment companies for intermediaries or fiduciaries.
 - d) Chief Executive Officer and employees up to two levels below Chief Executive Officer of such the Company, intermediary, fiduciary irrespective of their functional role in the Company or ability to have access to UPSI.
 - e) Any support staff of the Company, intermediary, or fiduciary such as IT staff or secretarial staff who have access to UPSI.
 - f) Any other Person designated by the Company on the basis of their functional role and such function would provide access to UPSI.
 - g) Immediate Relative of persons mentioned in the above clause (a) to (f).
- H. **“Director”** means a Director appointed on the Board of Directors of the Company pursuant to the provisions of the Companies Act, 2013.
- I. **“Insider”** means any person who is:
- a) Connected person; or
 - b) In possession of or having access to UPSI.
- J. **“Key Managerial Personnel”** means Key Managerial Personnel as defined in the Companies Act, 2013.
- K. **“Regulation”** means Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- L. **“SEBI or Board”** means the Securities and Exchange Board of India.
- M. **“Securities”** means Securities of the Company and shall have the meaning assigned to it under the Securities Contract Regulation Act, 1956 or any modification thereof except units of a mutual fund.
- N. **“Trading”** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any Securities, and “Trade” shall be construed accordingly.
- O. **“Unpublished Price Sensitive Information (UPSI)”** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- a) Financial results.
 - b) Dividends.
 - c) Change in capital structure.
 - d) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business, award, or termination of order/contracts not in the normal course of business and such other transactions.

- e) Changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor.
- f) Change in rating(s), other than ESG rating(s).
- g) Fund raising proposed to be undertaken.
- h) Agreements, by whatever name called, which may impact the management or control of the company.
- i) Fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad.
- j) Resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions.
- k) Admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016.
- l) Initiation of forensic audit, by whatever name called, by the company or any other entity for detecting misstatement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report.
- m) Action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter, or subsidiary, in relation to the company.
- n) Outcome of any litigation(s) or dispute(s) which may have an impact on the company.
- o) Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business.
- p) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- q) Any other material events as may be approved by the Board from time to time.

Explanation 1: For the purpose of sub-clause (i):

- a) **'Fraud'** shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b) **'Default'** shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2: For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.

NOTE: *It is intended that information relating to the Company or securities, which is not generally available would be UPSI if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.*

4. Words denoting the singular shall include the plural and vice versa and words denoting masculine gender shall include reference to feminine or neuter gender.
5. 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, 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.
6. Unless the context requires otherwise, employee shall mean employee of the Company.

II. PRESERVATION OF PRICE SENSITIVE INFORMATION

1. No Insider or Designated Person or Immediate Relative of Designated Person shall communicate, provide, or allow access to any UPSI, relating to the Company or securities listed or proposed to be listed, to any person including other Insider or Designated Person or Immediate Relative of Designated Person except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. Chinese Wall:
 - A. Areas of the Company which routinely have access to confidential documents or material, non-public information shall be considered “inside areas” and be separated by adopting Chinese wall which separates those departments which routinely have access to UPSI from other departments.
 - B. The employees in the inside area shall not communicate any UPSI to anyone in other department or in public area.
 - C. In exceptional circumstances employees from the public areas may be brought “over the wall” and given confidential information on “need to know” basis criteria in furtherance of their legitimate purposes, performance of duties or discharge of legal obligations.
 - D. Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “Insider” and due notice shall be given to such persons to maintain confidentiality of such UPSI.
 - E. The Board of Directors shall ensure that a Structured Digital Database (SDD) is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. Provided that entry of information, not originating from within the organization, in SDD may be done not later than 2 calendar days from the receipt of such information.
 - F. The Company shall ensure that the SDD is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

III. TRADING PLAN

1. Trading plan is a plan under which a Designated Person can trade in Securities even when the trading window is closed. It gives an option to Designated Person who may be perpetually in possession of UPSI and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an Insider to enable him to plan for trades to be executed in future. By doing so, the possession of UPSI when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he or she has pre-decided even before the UPSI is known.
2. Every Designated Person shall be entitled to formulate a trading plan 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.
3. While presenting the trading plan, the following points shall be kept in mind:
 - A. There must be a gap of one hundred and twenty calendar days between the public disclosure of plan and commencement of trading. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the Insider was to be in possession of the same UPSI both at the time of formulation of the plan and implementation of the same.
 - B. Trading plan shall not entail overlap of any period for which another trading plan is already inexistence.
 - C. Trading plan shall set out the following parameters for each trade to be executed:
 - a) Either the value of trade to be effected or the number of securities to be traded.
 - b) Nature of the trade.
 - c) Either specific date or time period not exceeding five consecutive trading days.
 - d) Price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - i. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and up to twenty per cent higher than such closing price.
 - ii. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and up to twenty per cent lower than such closing price.
 - D. Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse.
 - E. While granting approval, the Compliance Officer shall be entitled to seek such express undertakings as he may think necessary to assess and approve the plan.
 - F. The pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.
 - G. The trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.
 - H. The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.
 - I. The implementation of the trading plan shall not be commenced if any UPSI 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.
 - J. If the Insider has set a price limit for a trade, the Insider shall execute the trade only if the execution price of the security is within such limit. If the price of the security is outside the price limit set by the Insider, the trade shall not be executed.

In case of non-implementation (full or partial) of trading plan due to reasons provided herein or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

- a) The Insider shall intimate non-implementation (full or partial) of trading plan to the Compliance Officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
 - b) Upon receipt of information from the Insider, the Compliance Officer shall place such information along with his recommendation to accept or reject the submissions of the Insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full or partial) was bona fide or not.
 - c) The decision of the Audit Committee shall be notified by the Compliance Officer on the same day to the stock exchanges on which the securities are listed.
 - d) In case the Audit Committee does not accept the submissions made by the Insider, then the Compliance Officer shall take action as per the Code.
- K. The commencement of implementation of trading plan ought to be deferred until such UPSI becomes generally available.
- L. The Compliance Officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

IV. TRADING WINDOW

1. The Company shall specify a trading period, to be called "trading window", for trading in the Company's securities. The trading window shall be closed during the time the price sensitive information is unpublished.
2. When the trading window is closed, the Designated Person or Immediate Relative of Designated Person shall not trade in the Company's securities in such period except where trading plan has been approved by the Compliance Officer.
3. The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI.
4. However, the trading window shall be closed under the circumstances which falls under the definition of UPSI as defined in this code.
5. The trading window closure shall be imposed in relation to such securities to which such UPSI relates.
6. The time for commencement of closing of the trading window and re-opening of trading window shall be as per the regulations. However, in any case:
 - A. The trading window shall be closed from the end of every quarter.
 - B. The re-opening of the trading window shall be determined by the Compliance Officer taking into account various relevant factors.
 - C. However, the trading window shall not be reopened earlier than forty-eight hours after the information becomes generally available.
7. All Designated person and Immediate Relative of Designated Person of the Company shall conduct all their dealings in the securities of the Company only in a valid trading window or as per approved plan when trading window is closed or where there is no pre-approved trading plan, or during any other period as may be specified by the Company from time to time.
8. However, when the trading window is open, trading by Designated Person or Immediate Relative of Designated person shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as the Board of Directors may stipulate.

V. PRE-CLEARANCE OF TRADES

1. All Insider or Designated Person or Immediate Relative of Designated Person who intend to deal in the securities of the Company shall pre-clear the intended transactions including those of Immediate Relative in the securities of the Company as per the pre-dealing procedure described hereunder.
2. Such pre-clearance of trade would be applicable wherever any Insider or Designated Person or Immediate Relative of Designated Person intends to deal in the securities of the Company in excess of the minimum threshold limit of market value exceeding INR 500,000/- or 500 securities whichever is less. The Directors of the Company have to get the pre-clearance for all intended transactions irrespective of value or number of securities involved.
3. Trades of the Compliance Officer, which require pre-clearance in terms of the above shall be approved by the Managing Director or any Whole-Time Director of the Company.
4. An application in the prescribed format shall be made to the Compliance Officer, after obtaining the approval of departmental head, if any, indicating the estimated number of securities that Designated Person or Immediate Relative of Designated Person intends to deal in and details of depository with which he has a depository account and such other details as may be required by any rule made by the Company in this behalf.
5. An undertaking or additional disclosure as may be required by the Compliance Officer shall be executed by the Designated Person or Immediate Relative of the Designated Person in favour of the Company.

VI. REPORTING REQUIREMENTS

1. All designated persons are required to forward the following details of their securities transactions to the Compliance Officer.
 - A. Initial Disclosure:
Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such an appointment or becoming a promoter.
 - B. Continual Disclosures:
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 ten lakh rupees or such other value as may be specified in the Regulation.
2. The Company shall notify the particulars of such trading to Stock Exchange on which securities are listed within two trading days of receipt of disclosure or from becoming aware of such information.
3. The Compliance Officer shall maintain a record of all the declarations given by all promoters, directors, Designated Person for a minimum period of five years.
4. The Compliance Officer shall place before the Chairperson of the Audit Committee or in his absence before the Managing Director or Chief Executive Officer or a Committee notified by the Company, on a quarterly basis all the details of the dealing in the securities of the Company by the Directors, Employees, Designated Person and Connected Person received by him and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in the Code, wherever applicable.
5. Designated Person shall be required to disclose names and PAN or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:
 - A. Immediate Relative.
 - B. Persons with whom such Designated Person shares a material financial.

- C. Relationship.
 - D. Phone, mobile and cell numbers which are used by them.
6. In addition, the names of educational institutions from which Designated Person have graduated, and names of their past employers shall also be disclosed on a one-time basis.
Explanation—The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person 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.

VII. COMPLIANCE OFFICER

1. The Compliance Officer shall be responsible for setting forth policies and procedures, compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, pre-clearing of all Designated Person and Immediate Relative of the Designated Person trades (through respective department heads, if any), monitoring of trades and the implementation of this code under the overall supervision of the Board of Directors of the Company.
2. The Compliance officer shall be responsible to maintain the SDD in a safe and secure manner.
3. Further, if there is any change in details of the persons or entities the Compliance Officer shall update the database accordingly.
4. The Compliance Officer shall assist all Designated Person and Immediate Relative of the Designated Person in addressing any clarification regarding Regulations and the Company’s Code.
5. The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairperson of the Board of Directors at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.

VIII. OTHER RESTRICTIONS

1. Where any transaction has been approved, the Designated Person or Immediate Relative of Designated Person shall execute the order within one week of the clearance of the transaction, and where any transaction has been approved with any additional restrictions, the same shall be executed within the above time in accordance with the additional restrictions specified. If the order is not executed within one week after the approval is given, the Insider or Designated Person or Immediate Relative of Designated Person must pre-clear the transaction again.
2. The Compliance Officer shall have the right to revoke any clearance granted to any transaction or add further additional restrictions to any clearance, before the relevant transaction has been executed.
3. In case any transaction has been refused, Designated Person or Immediate Relative of Designated Person shall be free to re-apply for pre-clearance of the transaction, which was refused, to the next higher authority i.e., to Managing Director or Whole-Time Director, if Compliance Officer has refused the transaction.
4. All Designated Person or Immediate Relative of Designated Person who buy or sell any number of securities of the Company shall not enter into a contra trade or opposite transaction i.e., sell or buy any number of securities during the next six months following the prior transaction.
5. However, such contra trade if executed, should not be in violation of the regulations and require the prior approval of the Compliance Officer who shall record the reasons in writing for allowing such trade.
6. If any contra trade is executed violating the Regulation, all the benefits arising from such act shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

7. However, this shall not be applicable for trades pursuant to exercise of stock options, if any.
8. No Designated Person or Immediate Relative of Designated Person shall take positions in derivative transactions in the securities of the Company at any time.
9. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer or Managing Director or Whole-Time Director on recommendation of head of department, if any, after recording in writing his or her reasons in this regard provided such relaxation does not violate the Regulation.

IX. DISSEMINATION OF INFORMATION

The Chief Treasury Officer of the Company shall act as Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.

X. PENALTY FOR CONTRAVENTION OF THE CODE

1. Any Director or Key Managerial Personnel or Designated Employee or Connected Person who trades in Securities or communicates any information for trading in securities in contravention of this Code may be penalized and appropriate action may be taken by the Company.
2. Directors or Key Managerial Personnel or Designated Employees of the Company who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, render ineligible for future participation in employee stock option plans, etc.
3. The action by the Company shall not preclude SEBI from taking any action in case of violation of Regulations. The penal provisions as per Section 15 of the SEBI Act, 1992 are as under:
 - A. If any Insider who, either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any UPSI or
 - a) communicates any UPSI to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or
 - b) counsels, or procures for any other person to deal in any securities of any body-corporate on the basis of UPSI, shall be liable to a penalty which shall not be less than ten lakh rupees, but which may extend to twenty- five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.
4. In case the Company observes that there has been a violation of the Regulation, the Company shall inform the Stock Exchange where the concerned securities are traded.
