

**SARUP INDUSTRIES LIMITED**  
**CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

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**CHAPTER 1 – SHORT TITLE AND COMMENCEMENT**

- 1.1 This Code of Conduct shall be known as SARUP INDUSTRIES LIMITED Code of Conduct for Prohibition of Insider Trading” hereinafter referred to as the “SIL Code of Conduct” or the “Code of Conduct” or the “Code”.
- 1.2 This Code of Conduct was revised pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. SEBI vide notification dated 31<sup>st</sup> December, 2018 has again amended SEBI (Prohibition of Insider Trading), Regulations, 2015 effective from 01.04.2019. This Code of Conduct has been framed incorporating the amendments. This Code of Conduct may be modified by the Board of Directors of the Company from time to time.
- 1.3 This Code of Conduct shall be uploaded on the Website of the Company.

**CHAPTER 2 – APPLICABILITY**

- 2.1 This Code of Conduct shall be applicable to the following persons:
- (a) All Directors
  - (b) Key Managerial Personnel as defined under Companies Act, 2013
  - (c) Designated Employees of the Company.
  - (d) All connected persons as defined in Chapter 3 below in consonance with SEBI (Prohibition of Insider Trading) Regulations, 2015.
  - (e) Insiders as defined in Chapter 3 below in consonance with SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 2.2. This Code of Conduct will also apply in respect of dealings in securities of the Company by the immediate relatives of the Directors and the Designated Employees of the Company.
- 2.3. This Code of Conduct will also apply to Designated Connected Entities for the purpose of Clause 4.8 of this Code.

**CHAPTER 3 – DEFINITIONS**

- 3.1 For the purpose of this Code of Conduct –
- (a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
  - (b) “Board of Directors” means the Board of Directors of SARUP INDUSTRIES LIMITED;
  - (c) “Companies Act” means the Companies Act, 2013 (1 of 2013);
  - (d) “Calendar Quarter” or “Quarter” means a period of three months beginning from 1<sup>st</sup> January, 1<sup>st</sup> April, 1<sup>st</sup> July and 1<sup>st</sup> October of the year;
  - (e) “Company” or “SIL” means SARUP INDUSTRIES LIMITED;
  - (f) “Compliance Officer” means the Company Secretary of the Company. In the absence of Company Secretary, the Managing Director may appoint any other Officer to act as Compliance Officer for the time being;

- (g) "Connected person" means 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.

Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- (a) an immediate relative of connected persons specified as above; 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 immediate relative or banker of the company, has more than ten percent of the holding or interest;
- (h) "Dealing in securities" means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;
- (i) "Designated Connected Entity" means the Auditors and such Advisors, Consultants, Retainers and other entities/ persons, as the Compliance Officer may so designate from time to time;
- (j) "Designated Employees" mean
- (i) all Heads of Departments of the Company reporting directly to the Managing Director;
  - (ii) all employees in the rank of Assistant Managers and above reporting directly to the Heads of Departments;
  - (iii) all employees in the rank of Officers and above reporting directly to the Managing Director(s)/Whole-time Director(s) or the employees specified in (i) and (ii) above;
  - (iv) all employees in the Finance and Accounts Department;
  - (v) all employees in the Secretarial Department;
  - (vi) all employees in the EDP Department at Head Office; and

- (vii) such other employees/trainees, who may be so designated from time to time by the Compliance Officer for the purpose of this Code of Conduct;
- (k) "Directors" mean the Directors on the Board of Directors of the Company and include Managing Director(s), Whole-time Director(s) and Independent Directors;
- (l) "Generally available Information" means information that is accessible to the public on a non-discriminating basis;
- (m) "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;
- (n) "Insider" means any person who is a connected person or in possession of or having access to unpublished price sensitive information;
- (o) "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;
- (p) "Promoter Group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- (q) "Regulations" mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (r) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modifications thereof except unit of mutual funds.
- (s) "Trading" means and includes subscribing buying, selling, dealing or agreeing to subscribe buy, sell deal in any securities and "trade" shall be construed accordingly.
- (t) "Trading Window" means a period during which trading in Company's Securities can be carried out by the Directors, the Designated Employees and their immediate relatives;
- (u) "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: –
  - (i) periodical financial results;
  - (ii) dividends (both interim and final);
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel; and

3.2 All other words and phrases used and not defined hereinabove but defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992, the Companies Act,

2013, the Securities Contracts (Regulation) act, 1956 and the Depositories Act, 1996, shall have the meanings respectively assigned to them in the said Regulations/ Acts.

#### **CHAPTER 4 – CODE OF CONDUCT FOR INSIDER TRADING**

- 4.1 The Compliance Officer will ensure compliance with the SEBI Regulations for prevention of Insider Trading. 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 Audit Committee and the Board of Directors on an annual basis.
- 4.2 The Compliance Officer shall administer this code and also undertake actions as are prescribed to it under the Regulations (such as approval and disclosure of the trading plan of Insiders to the stock exchanges on which the Securities of the Company are listed).
- 4.3 The Compliance Officer of the Company shall be responsible for monitoring adherence to this code of conduct for preservation of “Unpublished Price Sensitive Information”, pre-clearing of Directors’, Designated Employees’ and their immediate relatives’ trades and for maintenance of list of the Directors, the Designated Employees and the Designated Connected Entities.
- 4.4 Insiders shall maintain the confidentiality of all price sensitive information and shall not communicate any unpublished price sensitive information to any person except 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 of misuse of the information.
- 4.5 Insiders shall not pass on any price sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
- 4.6 Insiders shall not communicate or counsel any unpublished price sensitive information to any person, who while in possession of such unpublished price sensitive information, shall not deal in the securities of the Company.
- 4.7 All Files and papers containing confidential price sensitive information shall be kept secured under lock and key. Computer files must be kept with adequate security of log-in and password, etc.
- 4.8 The Designated Connected Entities, who need any price sensitive information to discharge their duty/role/functions as such shall:
  - (a) Maintain the confidentiality of all price sensitive information pertaining to the Company.
  - (b) Not carry out any dealing/transaction in the securities of the Company in violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) Not contravene any provision of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 vis-à-vis the Company.

All Designated Connected Entities shall have to forward an Undertaking in this regard in a prescribed format to the Compliance Officer within a period of one month of being designated as such.

- 4.9 The Directors /KMPs and the Designated Employees and their immediate relatives shall be subject to trading restrictions enumerated below:

#### 4.9.1 **Closure of Trading Window:**

The trading window shall remain closed from 10 days before the happening of the following events and shall remain closed up to 48 hours after the publication of the concerned price sensitive information:

- (i) Declaration of financial results (Quarterly, Half yearly and Annual);
- (ii) Declaration of dividends (both interim and final);
- (iii) change in capital structure i.e. Issue of securities by way of public/ rights/ bonus etc.;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- (v) changes in key managerial personnel;

In addition to the above, the trading window may be closed from the end of every quarter till 48 hours after the declaration of results or during such other periods as may be specified by the Compliance Officer from time to time.

#### 4.9.2 **Restrictions on Trading:**

No Director/ KMP/ Designated Employee or their immediate relatives shall trade in the securities of the Company during the closure of trading window.

#### 4.9.3 **Pre-clearance of Trades:**

- (a) A Director/ KMP/ Designated Employee and their immediate relatives shall not trade in the securities of the Company beyond the threshold limit of 5000 Equity Shares in any Calendar Quarter (to be reckoned collectively for the Director/Designated Employee concerned and all their immediate relatives for all their transactions of one type in the aggregate and to be further reckoned separately for each type of transaction viz. subscribing/buying and selling), unless he obtains pre-clearance for the same.
- (b) A Director/ KMP/ Designated Employee intending to trade, or whose immediate relatives intends to trade, in the securities of the Company exceeding the threshold limit specified in Clause 4.9.3(a) of this Code, shall have to make an application in a prescribed format to the Compliance Officer for pre-clearance of the transaction.
- (c) The Application for Pre-Clearance shall be accompanied with a "Statement of Shareholdings at the time of Pre-Clearance" in a prescribed format.
- (d) The Director/ KMP/ Designated Employee shall alongwith the Application for Pre-Clearance furnish an undertaking in a prescribed format to the effect that:
  - (i) He does not have any access to or has not received any Unpublished Price Sensitive Information upto the time of signing of the undertaking.
  - (ii) in case he has access to or receives any Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction, he shall inform the Compliance Officer of the change in his position and that he and

their immediate relatives would completely refrain from dealing in the securities of the Company till the time such information becomes public.

- (iii) he has not contravened the provisions of this code of conduct.
- (e) Only after receiving the clearance, the Director/Designated Employee or their immediate relatives shall carry out the transaction in the securities.
- (f) The execution of the order in respect of the securities of the Company shall have to be completed within seven days of approval of pre-clearance and the confirmation of deal shall be intimated to the Compliance Officer within four days of the execution. In case the order is not executed within seven days of the date of approval, the transaction will have to be got pre-cleared again in a prescribed format.
- (g) Director/ Designated Employee who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

#### 4.9.4 Trading Plan:

The Compliance Officer/Board may grant an option to persons who may be perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner. An insider 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. 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 unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre-decided even before the unpublished price sensitive information came into being. However, such trading plan shall be in consonance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 including any amendment or re-enactment thereof and subject to review, assessment and consequent approval of the same by the Compliance Officer.

The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these 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.

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.

Provided that 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 so as to avoid a violation of the provisions of this code.

Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **CHAPTER 5 – DISCLOSURE REQUIREMENTS**

### **5.1 Disclosures:**

5.1.1 Every Promoter, Members of Promoter Group, Directors, Key Managerial Personnel and Designated Employees shall have to forward the details of their securities holding and transactions including those of their immediate relatives to the Compliance Officer within a period of one month from the effective date of this code in a prescribed format.

5.1.2 Every person on appointment as a key managerial personnel or a Director of the Company or upon becoming a Promoter of the Company or member of Promoter Group or on being identified as a Designated Person shall disclose their holding, and the holding of their Immediate Relatives as on the date of appointment or becoming a Promoter, to the Company within 7 (seven) days of such appointment or becoming a Promoter or on being identified as a Designated Person, as the case may be, in prescribed format.

5.1.3 Every Directors, Key Managerial Personnel and Designated Employees shall have to forward Annual statement of their holding and the holding of their immediate relatives in securities of the Company to be submitted within 30 days of the close of financial year in a prescribed format.

5.2 Every Promoter, Member of Promoter Group, Key Managerial Personnel, Directors and Designated Employees shall disclose to the Company in the prescribed Format the number of 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, aggregate to a traded value in excess of ten lacs rupees or such other value as may be specified by said Regulations. The disclosure shall be made within 2 trading days of

- Receipt of intimation of allotment of shares.
- Acquisition or sale of shares or voting rights, as the case' may be

Within 2 trading days of the receipt of intimation, the Compliance Officer shall disclose to all the exchanges on which the Company's securities are listed.

5.3 The Company may, at its discretion require any other connected person or class to make of connected persons to make disclosure of holding and trading the Securities of the Company in such form and at such frequency as may be determined by the Company in order to monitor compliance of these regulations in a prescribed format.

5.4 The Compliance Officer shall maintain records of all the declarations for a minimum period of five years.

- 5.5 The details of the dealings in the securities by all Directors and Designated Employees and their immediate relatives shall be placed before the Managing Director of the Company on monthly basis.
- 5.6 The Company in order to monitor the compliance with these regulations shall require the connected persons to provide a Non-Disclosure Undertaking in a prescribed format.

#### **CHAPTER 6 – MISCELLANEOUS**

- 6.1. Any suspected leak of unpublished price sensitive information or violation of this policy can be reported under whistle blower policy.
- 6.2 It is the responsibility of the Connected Person to ensure compliance with the Code of Conduct.
- 6.3 The policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information is enclosed as Annexure-A and forms integral part of this policy.

#### **CHAPTER 7 – PENALTIES**

- 7.1 Every Insider, who trades or whose immediate relatives trades in securities of the Company or who communicates any unpublished price sensitive information for trading in securities of the Company in contravention of this Code of Conduct shall be liable to a penalty which may extend upto `two times' of the value of the transaction in securities, as may be imposed by the Managing Director.
- 7.2 Any Director/Designated Employee, who violates or whose immediate relative violates this Code of Conduct shall also be subjected to disciplinary action by the Company, which may include wage freeze, suspension, dismissal etc.
- 7.3 The action by the Company shall not preclude the Securities and Exchange Board of India from taking any action for violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

#### **CHAPTER 8 – INFORMATION TO SEBI**

- 8.1 In case it is observed by the Company or Compliance Officer that there has been a violation of any provision of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 vis-à-vis the Company, the Company shall immediately inform the Securities and Exchange Board of India about the same.

#### **CHAPTER 9 – GENERAL**

- 9.1 The Compliance Officer may amend or modify or discontinue any Form appended to this Code of Conduct or substitute any such Form with a new Form or prescribe any new Form for the purposes of this Code of Conduct, as may be considered necessary by him/ her.
- 9.2 The interpretation of the Compliance Officer about this Code shall be final. Matters not covered by this Code would be decided by the Compliance Officer at his/ her discretion.



## **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **Preamble**

This Policy is framed with an aim to implement a structured procedure for investigation in case of leak or suspected leak of UPSI.

### **Applicability**

Apply to all Insiders and any other persons as assigned by law from time to time.

### **Process of inquiry in case of leak of UPSI or suspected leak of UPSI**

1. Complaint (written or oral or electronic) regarding a leak or suspected leak of UPSI may be received by the Company from the following sources:
  - a. Internal:
    - i. Whistleblower vide the whistleblower process as illustrated in the Infosys Whistleblower Policy;
    - ii. Any leak or suspected leak of UPSI detected through the internal controls implemented by the Company.
  - b. External:

Registrar and Share Transfer Agent, Depository, Stock Exchange, Regional Director, Registrar of Companies, regulatory /statutory authority or any other department of Central or State Government based on the complaint received from a whistleblower (above shall be collectively referred to as "Complaint(s)")
2. The Compliance Officer shall report the Complaint to the Audit Committee within a reasonable time from the date of receipt of the Complaint;
3. The Audit Committee shall review the Complaint and shall discuss with the Compliance Officer and Company Secretary on potential next steps including but not limited to seek additional information to consider an investigation, disclosure requirements to the regulatory authorities, appointment of an investigation panel consisting of internal employees or external agencies. If the Complaint implicates the Compliance Officer and/or Company Secretary, then they shall refrain themselves from the said inquiry process;
4. If the Audit Committee mandates an investigation, then the identified panel of investigators shall conduct the investigation into the Complaint(s) and present their findings to the Compliance Officer. The executive summary of the investigation shall be reported to the Audit Committee by the Compliance Officer;

5. Based on the update provided by the Compliance Officer, the Audit Committee shall put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review/deliberations, shall decide on the next steps;
6. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy;
7. Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 or any other relevant legislation/law applicable to the Company, as amended from time to time.