

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Pursuant to SEBI (Prohibition of Insider Trading), 2015]

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1		
2		
3		
4		
5		

1. Introduction:

- 1.1 The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) on January 15, 2015, which is effective from May 15, 2015.
- 1.2 Pursuant to Regulation 8 of the Regulations, Sahyadri Industries Limited (SIL) is required to formulate a code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Fair Disclosure Code”).
- 1.3 Accordingly the Board of Directors of SIL has formulated the Fair Disclosure Code.

2 Scope:

- 2.1 SIL endeavors to preserve the confidentiality of unpublished price sensitive information (UPSI) and to prevent its misuse. To achieve these objectives, and in compliance with the aforesaid Regulations, SIL has adopted this Fair Disclosure Code.
- 2.2 This Code ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.
- 2.3 SIL is committed to timely and accurate disclosure based on applicable legal and regulatory requirements.

3 Terms and Definition:

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the SEBI (Prohibition of Insider Trading) Regulations, 2015 or 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 the rules and regulations made there under, as the case may be or in any amendment thereto. The Company Secretary of the Company shall be the Compliance Officer under this Code.

4 Principles Governing Disclosure Of Information

The procedures governing the disclosure of Material Information and UPSI shall provide that such disclosure shall be made in accordance with the following principles:

- I. Information should be disclosed immediately through the stock exchanges and press release.
- II. No selective disclosure. Undisclosed UPSI or material information must not be disclosed to selected individuals. If undisclosed information is inadvertently

disclosed to an analyst or any other person, such information must then be disclosed to the stock exchanges immediately.

- III. Under certain circumstances, the Company may determine that such disclosure would be unduly detrimental to the Company (for example if release of the information would cause prejudice to negotiations in a corporate transaction), in such case, the information shall be kept confidential until the Company determines it may be publicly disclosed. Information should be disclosed only once there is credibility to the information and the information has concretized.
- IV. Disclosures should be made in a timely manner.
- V. Disclosure must be complete in all material respects and should not be misleading.
- VI. Unfavorable Material Information must be disclosed as promptly and completely as favorable information.
- VII. Disclosure must be corrected immediately if the Company is subsequently made aware that its earlier disclosure contained a material error or omission at the time it was given.
- VIII. Except where confidentiality is required, material information should be disclosed as soon as practical.

All persons investing in the securities of the Company shall have the opportunity for equal and timely access to information that may affect their investment decisions regarding those securities.

5 Legitimate Purpose:

The Unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes as per its "Policy for determination of Legitimate Purposes" (Annexure A), provided it is not shared to evade or circumvent the prohibition under this Regulation.

6 Procedure For Disclosures of Material Information:

In case any functional head becomes aware of some Material Information about the Company, such functional head would contact the Managing Director of the Company. The Managing Director would then determine whether the information requires disclosure to the stock exchanges or not in accordance with the Listing Regulations and Insider Regulations. Thereafter, the Chief Investor Relation Officer will prepare the content of the disclosure and determine the timing of the disclosures. The Company Secretary will then disclose the said information to the stock exchanges.

7 Timing of Disclosing Material Information in Exceptional Circumstances:

Under certain circumstances, the Company may keep Material Information confidential for a limited period of time for the reason that such immediate disclosure may compromise certain strategic business opportunities for the Company or information may not be disclosed due to third party confidentiality restrictions or uncertainty of events. The determination of when or when not to disclose Material Information immediately shall be made by the Managing Director of the Company.

8 Information To Be Shared on A Need To Know Basis:

The directors/ employees of the Company shall not discuss the matters or developments regarding the Company which in any way relate to Material Information/UPSI with any other persons, except that are required to be disclosed in performance of his or her duties or under applicable laws or regulations or in legal proceedings. To protect Material Information from disclosure, the directors/ employees of the Company:

- Should not discuss Material Information in public places where Material Information may be overheard (e.g., elevators, restaurants, airplanes, taxicabs) or participate in, host or link to Internet chat rooms, online social networking sites, newsgroup discussions or bulletin boards which discuss matters pertaining to the Company's activities or its securities;
- Should not carry, read or discard Material Information in an exposed manner in public places;
- Should not carry, read or discard Material Information in an exposed manner in public places;
- Should not discuss Material Information with any other persons, except as required in performance of his or her duties;
- Shall advise the other persons with whom they are meeting where Material Information may be disclosed, before the meeting, that they must not divulge the Material Information; and
- Should not deal in the securities of the Company until the Material Information is publicly disclosed.

9 Contacts with financial analysts, Investors and the media

The Company may communicate with its institutional shareholders through meetings with analysts and discussions between fund managers and management. The Company may also participate at investor conferences from time to time. All interactions with

institutional shareholders, fund managers and analysts will be based on generally available information that is accessible to the public on a non-discriminatory basis. The presentations made to analysts and fund managers will be placed on the Company's website. The official news releases will be also displayed on the said website.

The main channel of communication to the shareholders is through the annual report. Details relating to quarterly performance and financial results are disseminated to the shareholders through press releases and uploaded on the Company's website. Briefings may be given to update the market after each Quarterly Results are announced through group meetings or teleconference. Meetings with investors (bilateral and general) may be held to ensure that the investment community receives a balanced and complete view of the Company's performance, while always observing applicable rules concerning selective disclosure, equal treatment of shareholders and insider trading. Individual meetings may also be held with the institutional shareholders, fund managers and analysts to share generally available information.

10 Market Rumors:

The Company shall not comment, affirmatively or negatively, on market rumors. Should a stock exchange request that the Company makes a definitive statement in response to a market rumor that is causing significant volatility in the securities of the Company, the CISO and/or the Company Secretary in consultation with Managing Director shall consider the matter and content of the Company's response, such as confirming "no corporate development at this time".

11 Maintenance of Disclosure Records:

The Company shall maintain and store records in respect of disclosures made by it through any means under the relevant provisions of the Companies Act, 2013, Rules made there under, SEBI Act, 1992, Rules, Regulations and Guidelines issued there under and the Insider Regulations and Listing Regulations for audit and future reference.

12 Trading By Person In Possession Of UPSI:

No Insider including his/her Immediate Relatives shall either on his/ her own behalf or on behalf of any other person, trade or undertake to trade or cause to trade in the Securities of the Company (i) when he/ she is in possession of any Unpublished Price Sensitive Information and (ii) during the Restricted Trading Period. For purposes of Insider Regulations, as amended, any person who is in receipt of UPSI pursuant to a "legitimate

purpose” shall also be considered as an “insider” (as defined under Insider Regulations) and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.

13 Disclosure:

A copy of this Code and every amendment thereto shall be promptly intimated to the Stock Exchanges. This Code shall also be posted on the website of the Company <http://www.silworld.in>

14 Review & Amendments:

The Board may, as and when it deems appropriate, review this Code. This Code is being formulated keeping in mind the applicable laws, rules, regulations and standards in India. If there is an amendment in such laws, rules, regulations and standards, then this Code shall be deemed to have been amended to the extent of such amendment. Conversely, if due to subsequent amendment in the statutory provisions, this Code or any part hereof becomes inconsistent, such amended statutory provisions shall prevail and this Code shall be deemed to be amended to that extent.

ANNEXURE-A
POLICY FOR DETERMINATION OF LEGITIMATE
PURPOSES [Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading)
(Amendment) Regulations, 2018]

1. PREFACE

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy". This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

3. DEFINITION

a. "**Legitimate Purposes**"

Shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

- Promoters of the Company
- Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
- Staff Members of the Audit firm/team conducting the Audit
- Collaborators
- Lenders
- Customers
- Suppliers
- Bankers
- Legal Advisors
- Insolvency Professionals
- Consultants
- Any other advisors/consultants/partners
- Any other person with whom UPSI is shared

b. **"Insider"**-

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

4. PRINCIPLES FOR DETERMINATION OF "LEGITIMATE PURPOSE"

An action shall be considered to be undertaken for a "legitimate purpose" if:

- It is in conformity with the statutes applicable to the Company, for the time being in force;
- It is in the ordinary course of business of the Company or is in conformity with the practice followed by the Industry in which the Company operates;
- It is undertaken by a person for performance of duties with respect to the Company or discharge of legal obligations.
- It is made in a manner which can be considered fair, transparent and effective;
- There exists reasonable cause to believe that the sharing of UPSI does not/will not lead to 'market abuse' or personal benefit of any Connected Person.

5. DIGITAL DATABASE

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

6. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

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, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

7. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy. In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy. This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.