

**PREVENTION OF INSIDER TRADING POLICY**  
**[Pursuant to Companies Act 2013 & SEBI (LODR) Regulations 2015]**

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## SAHYADRI INDUSTRIES LIMITED

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has formulated the SEBI (Prohibition of Insider Trading) Regulations 1992(Regulations) and these regulations have been amended from time to time. Now with the coming into force of Companies Act, 2013 certain amendments are required to make the same in compliance thereof. The objective of these regulations is to prevent persons who have access to unpublished price sensitive information relating to a Company to misuse such information and /or profit from such information. In addition to the Regulations, Section 195 of the Companies Act, 2013 (“**Act**”) prohibits any person including any director or key managerial personnel of a company from entering into insider trading (as defined under the Act).

The salient features of this Code are:

Any person (insider) who is/was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of the securities of the Company or who has received or has had access to such unpublished price sensitive information, shall not either on his own behalf or on behalf of any other person:

- a) either on his own behalf or on behalf of any other person deal in the securities of the Company listed on any stock exchange when in possession of any unpublished price sensitive information.;
- b) Communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person;
- c) Counsel or procure directly or indirectly any person to deal in securities of the Company on the basis of unpublished price sensitive information.

Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or professional employment or under any law.

1. The following persons shall be covered under this code of conduct for prevention of insider trading (“**Code of Conduct/Code**”):

- Directors/ officers/employees (insiders) who have access to any unpublished sensitive information about the Company;
- Relatives/dependents of such insiders
- Persons connected with the Directors/ employees (i.e. bankers, brokers, advisors, merchant bankers, auditors etc.)

2. The following persons are deemed to be connected persons:

- Company under the same group/ management or any subsidiary company
- Intermediary, investment company, trustee company, asset management company or an employee or director thereof or an official of a stock exchange or clearing house or corporation;
- Merchant Banker, or Share Transfer Agent or Broker, registrar to an issue, debenture trustee, broker, portfolio manager, investment advisor, sub-broker, investment company or an employee thereof, or is a member of the board of trustees of a mutual fund or is an employee thereof who have a fiduciary relationship with the company;
- Member of the board of directors or an employee of a public financial institution;

- Official of an employee of a self-regulatory organization recognized or authorized by the board of a regulatory body;
- Relatives of the connected person(s)
- Bankers of the Company.

3. Price sensitive information:

means any information which relates directly or indirectly to the Company and is not generally known or published by the Company for general information, but which if known or published is likely to affect the price of the securities of the Company. The following list is an illustrative list (not comprehensive) of information which can be considered as price sensitive:

- Periodical Financial results of the Company;
  - Intended declaration of dividend (both interim and final) or issue of shares by a public, rights, buy-Back of securities, bonus, etc;
  - Any major expansion plans or execution of new projects;
  - Amalgamations, mergers and takeover;
  - Disposal of the whole or substantial part of the undertaking of the Company;
  - Any change in the policies, plans or operations of the Company;
  - Such other information, which may affect the operations of the Company.
4. “Unpublished” means information which is not published by the Company or its agents and is not specific in nature
5. Person for the purposes of this Code shall include an individual, company, a trust, etc.
6. Dependents referred to herein shall include spouse, children, parents, dependent brother and dependent sister).
7. “Officer” for the purposes of this Code shall mean any Director, or Key Managerial Personnel of Sahyadri Industries Limited)

As per the regulations, there is no prohibition per se in dealing in shares of the Company, though there is a prohibition in being privy to price sensitive information and then dealing in the Company’s shares either directly or indirectly or communicating such sensitive information to any other person/s.

The following code of conduct for prevention of insider trading has been instituted by the Company for compliance by the employees / directors of the Company.

**Compliance Officer:** shall report directly to the Managing Director. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees’ and their dependents’ trades, monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of Directors.

All employees and directors of the Company and the Company’s subsidiaries are required to strictly follow the conditions and processes laid down in Section 1. In addition all directors and the designated employees (as listed in Annexure A) and their dependents must strictly follow the conditions and processes laid down in Section 2. The Company may revise the list of designated employees from time to time.

## **SECTION 1**

### **CONDITIONS TO BE ADHERED TO BY ALL EMPLOYEES, OFFICERS AND DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES.**

1. All directors/Officers and employees shall maintain the confidentiality of all Price Sensitive Information, which they have access to. Directors/ employees shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
2. Unpublished Price Sensitive Information is to be handled on a “need to know” basis, i.e., 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.
3. All non-public information directly received by any employee should be reported to the head of the department.
4. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.
5. All directors/officers and employees of the Company shall be subject to the following trading restrictions:

Trading in company shares shall be permitted only during the periods when there are no restrictions. Trading restrictions shall be in force from prior to an announcement or declaration by the Company and shall continue for a period of 24 hours after the said announcement or declaration. Instances (not exhaustive) when the trading restrictions shall be in force include:

- a) Declaration of Financial results (quarterly, half-yearly and annual)
- b) Declaration of dividends (interim and final)
- c) Issue of securities by way of public/ rights/bonus etc.
- d) Any major expansion plans or execution of new projects
- e) Amalgamation, mergers, takeovers and buy-back
- f) Disposal of whole or substantially whole of the undertaking
- g) Significant changes in policies, plans or operations of the company
- h) Employees are permitted to exercise the stock options granted to them at all times of the year including the time when the trading restrictions are in force. However, sale of shares allotted on exercise of **ESOPs** shall not be allowed when trading window is closed.

## **SECTION 2**

### **CONDITIONS TO BE ADHERED TO BY THE DIRECTORS / OFFICERS / DESIGNATED EMPLOYEES/DEPENDANTS**

#### **A. Compliances:**

1. Directors and designated employees and their dependents are the persons to whom the conditions specified in this Section 2 shall apply. The Company may revise the list of designated employees from time to time.
2. Directors and designated employees are permitted to exercise the stock options granted to them

at all times of the year including the time when the trading restrictions are in force. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

**B. Pre clearance of trades:**

1. Directors/Officers and designated employees, who intend to deal in the shares of the Company (either by themselves or through their dependents) in excess of 10000 shares in a day, shall be required to pre-clear the transactions by making an application to the Compliance Officer . The application for pre-clearance may be sent in hard copy to the Compliance Officer or alternately. A scanned copy of the original signed application may be sent through email at [cs@silworld.in](mailto:cs@silworld.in). Requests for pre-clearance shall be acted upon normally within a period of one business days of their receipt.
2. Directors and designated employees and their dependents shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the employee/ director must pre clear the transaction again.
3. All Directors, officers and designated employees and their dependents shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Directors/officers/designated employees shall also not take position in derivative transactions in the shares of the company at any time.

**C. Reporting requirements:**

**1. Initial disclosures:**

- a) Directors/Officers and designated employees shall be required to forward the details of the securities of the Company held by them and positions taken in derivatives by such person and /or their dependent family members (Dependents referred to herein shall include spouse, children, parents, dependent brother and dependent sister). In the case of new appointees the declaration shall be made within 2 working days of joining the Company.
- b) Any person (who holds more than 5% shares or voting rights in the Company shall disclose to the company, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of the receipt of allotment of shares or the acquisition of shares or voting rights, as the case may be.
- c) Any person who is a promoter or part of promoter group of a listed company shall disclose to the company the number of shares or voting rights held by such person, within two working days of becoming such promoter or person belonging to promoter group.
- d) The information of shareholding may be sent in hard copy to the Compliance Officer or alternately a scanned copy of the same may be sent through email at [cs@silworld.in](mailto:cs@silworld.in).

**2. Continual disclosures:**

- a) Directors/Officers and designated employees shall be required to forward the details of the transactions in securities of the Company made by them and /or their dependent family members

- b) Annual statement of shareholding in the Company as on 31st March every year within 7 days from the end of each year.
- c) In the event of there are no transactions in the Company's shares during a month a NIL return would **not be** required to be filed by the concerned Director/Officers and designated employees.
- d) Any person who holds more than 5% shares or voting rights in the Company shall disclose to the Company the number of shares or voting rights held and change in shareholding or voting rights even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made and such change exceeds 2% of total shareholding or voting rights in the company within 2 working days of the receipt of intimation of allotment of shares or the acquisition or sale of shares.
- e) Any person who is a promoter or part of promoter group of a listed company, shall disclose to the company and the stock exchanges where the securities are listed the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person from the last disclosure made under Listing Agreement or under sub-regulation (2A) or under this sub-regulation, and the change exceeds Rs. 5 Lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower."
- f) Any person who is a director or officer of Sahyadri Industries Limited, shall disclose to the Company and the stock exchange where the company is listed, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings from the last disclosure made and the change exceeds Rupees 5 lac in value or 25000 shares or 1% of total shareholding or voting rights, whichever is lower. This transaction may be on account of fresh allotment of shares including allotment of shares on 7 exercise of Employees Stock Option, or purchase or sale of the shares. This disclosure is required to be made within 2 working days of the receipt of intimation of allotment of shares or the acquisition or sale of shares.

### **3. Disclosure to the Stock Exchanges:**

The Compliance Officer, within two working days of receipt of the information under the Initial and Continual disclosures shall disclose the same to all the Stock Exchanges, where the shares of the Company are listed.

## **SECTION 3:**

### **PROTECTION OF INFORMANT AGAINST RETALIATION AND VICTIMIZATION**

The Company shall provide suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by the Board or he or she is eligible for a Reward under these regulations, by reason of:

- Filing a Voluntary Information Disclosure Form (Annexure I) under these regulations;
- Testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- Breaching any confidentiality agreement or provisions of any terms and conditions of

employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

Explanation1. For the purpose of this Chapter, “employee” means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.”

## **SECTION 4:**

### **REVIEW AND CONTROL**

#### **A. Reporting to the Managing Director**

The Compliance Officer shall place before the Managing Director, on a monthly basis all the details of the dealing in the shares of the Company by the Directors/Officers and Designated Employees and their dependents and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.

The Compliance Officer shall maintain records of all the declarations in the appropriate forms given by the directors/officers/designated employees for a minimum period of three years.

#### **B. Contravention of the Code of Conduct:**

In the event that one or more conditions specified in Section 1 or Section 2 are not complied with by the Directors/employees /Officers designated officials such noncompliance shall be treated as a contravention of the code. Instances (not exhaustive) that shall be treated as contravention of the code of conduct include

1. Dealing in the Company’s securities when the trading restrictions are in force.
2. Dealing in the Company’s securities while in possession of price sensitive information
3. Passing on the price sensitive information to any other person who deals in the Company’s securities on the basis of price sensitive information.
4. Not forwarding to the Company from time to time the details of the securities held by the designated employees /Directors/officers and their dependents and the transactions made by the designated officials and /or the dependents of the designated officials.
5. Dealing in the Company’s securities by the Directors/ Officers and designated employees (directly or through their dependents) officials beyond 10000 shares in a day without obtaining the pre-clearance from the Compliance officer.

#### **C. Penalty for contravention of code of conduct**

1. Any employee / Director/Officer/ designated employee their dependents who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct shall be penalized and appropriate action shall be taken by the company which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
2. The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.

3. The “leaking” of sensitive information can also result in penal action for the Company by the Stock Exchanges.

**ANNEXURE I**

**VOLUNTARY INFORMATION DISCLOSURE FORM**

|   |            |       |
|---|------------|-------|
| <b>I. PERSONAL INFORMATION OF THE INFORMANT</b>   |            |       |
| <b>A.INDIVIDUAL 1:</b>  |            |       |
| Last Name   | First Name | Title |
|   |            |       |
| Address:<br>State :<br>PIN:<br>Telephone No.(With State code):<br>Mobile:<br>Email ID:  |            |       |
| Employment Status:<br><br>PAN No. (If available):   |            |       |
| <b>II. LEGAL REPRESENTATIVE (where applicable)</b>  |            |       |
| Last Name   | First Name | Title |
|   |            |       |
| Firm Name (if not self-employed):   |            |       |
| Address:<br><br>State :<br><br>PIN:<br><br>Telephone No.(With State code):<br><br>Mobile:<br><br>Email ID:<br><br>Bar Council Enrolment Number: |            |       |
| <b>III SUBMISSION OF ORIGINAL INFORMATION</b>   |            |       |
| 1. Is it a violation of securities laws? Yes / No   |            |       |
| 2. If yes to question (1), please describe the type of violation:   |            |       |
| 3. Has the violation: Occurred / Occurring / Potential to occur in future   |            |       |
| 4. If the violation has occurred, date of occurrence: dd/mm/yy (in case exact date is not known, an approximate period may be entered)          |            |       |



|  |
|--|
| <p>5. Have the individual(s) or their representatives had any prior communication(s) or representations with the Board concerning this matter?</p> <p>Yes (Details thereof) / No</p>   |
| <p>6. Does this violation relate to an entity of which the individual is or was an officer, director, counsel, employee, consultant or contractor?</p> <p>Yes (Details thereof) / No</p>   |
| <p>7. If yes to question (6), was the original information submitted first to your Head or internal legal and compliance office? Yes / No</p>  |
| <p>8. If yes question (7), then please provide, Date of submission of original information: dd/mm/yy</p>   |
| <p>9. Please describe in detail why you think the information submitted is a violation?</p>  |
| <p>10. What facts or supporting material is your allegation based on? Please attach any additional documents to this form, if necessary.</p>   |
| <p>11. Identify any documents or other information in your submission that you believe could reasonably be expected to reveal your identity and explain the basis for your belief that your identity would be revealed if the documents were disclosed to a third party.</p>   |
| <p>12. Provide details of connection between the Informant and the company and the person against whom information is being provided:</p>  |
| <p>IV. DECLARATION</p>   |
| <p>I/we hereby declare that,-</p> <p>A. I/we have read and understood the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</p> <p>B. I/we accept that mere furnishing of information by me/us does not by itself confer on me/us right to get reward and that I/we may not get any Reward at all. I/we would be bound by the decisions that the authority competent to grant reward may take;</p> <p>C. I/we accept that the Securities and Exchange Board of India is under no obligation to enter into any correspondence regarding action or inaction taken as a result of my/our information.</p> <p>D. I/we accept that the reward would be an ex-gratia payment which, subject to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, shall be granted at the absolute discretion of the competent authority. The discretion of the authority shall be acceptable to me/us and I/we shall not challenge it in any litigation, appeal, adjudication, etc.</p> <p>E. In the event of my death before the reward is paid to me/us, it may be paid to .....</p> |

(Details of nominee)

- F. I declare that the information contained herein is true, correct and complete to the best of my knowledge, information and belief and not obtained from the categories of persons indicated in sub-regulation (2) and sub-regulation (6) of regulation 7G of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and agree to indemnify the Board. I fully understand that I may be subject to action under securities laws as well as Section 182 of the Indian Penal Code, 1860 (45 of 1860) and ineligible for Reward if, in my submission of information, any other dealings with the Board, or any dealings I knowingly and willfully make any false, fictitious, or fraudulent statements or representations, or use any false writing or document knowing that the writing or document contains any false, fictitious, or fraudulent statement.

Signature:

Date:

Place: