

SAMBANDAM SPINNING MILLS LIMITED

Registered Office: Kamaraj Nagar Colony, P.B. No:1, Salem – 636 014

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CODE OF CONDUCT

Preamble

Code of conduct of SAMBANDAM SPINNING MILLS LIMITED (hereinafter referred to as SSM CoC) is formulated as a set of guidelines for ensuring ethical behavior. This Code of Conduct also encompasses suppliers, customers & other stakeholders. SSM CoC provides an effective way of ensuring ethics in all dealings & operations.

SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

This Code of Conduct has been framed and updated in line with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and as amended subsequently that has been approved by the Board of Directors of the Company at the Board Meeting held on 13th February 2019.

This comprehensive document serves as an ethical road map for SSML management, employees and the Companies in Sambandam Group and provides the guidelines by which the group conducts its business.

In case of violation of this code either by SSML or by its officials such instances may be reported to the Company's Ethics Counselor.

SSML's Ethics Counselor

MR.S. GNANASEKHARAN, Independent Director of SSML,
3/107, T.Kailasampalayam,
Tiruchengode, Namakkal Dt.

I CODE OF CONDUCT FOR THE COMPANY

SSML's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the senior management and all the employees of the Company.

Consistent with its values and beliefs, SSML has formulated the following Code of Conduct as a guide. This Code does not attempt to be comprehensive or cover all possible situations. It encourages the SSML team to take positive actions, which are not only commensurate with the values and beliefs, but are also perceived to be so. SSML expects all its employees to implement this Code in its true spirit and in case of any doubt or confusion, to consult his/her immediate superior or the Joint Managing Director or the Chairman and Managing Director or the Company's Ethics Counselor named herein above.

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1. NATIONAL INTEREST

SSML shall be committed in all its actions to benefit the economic development of not only India, but also the countries with which it interacts as customer or supplier of textile products and shall not engage in any activity that would adversely affect such objective. It shall not undertake any project or activity to the detriment of the Nation's interests or those that will have any adverse impact on the social and cultural life patterns of its citizens. SSML shall conduct its business affairs in accordance with the economic development and foreign policies, objectives and priorities of the Nation's government and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level as is considered appropriate.

2. FINANCIAL REPORTING AND RECORDS

SSML shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country with which the Company conducts its business/affairs. Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to company auditors, other authorised parties and government agencies. There shall be no willful omission of any Company transaction from the books and records, no advance income recognition and no hidden bank accounts and funds. Any willful material misrepresentation or misinformation on the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil and criminal action under the relevant laws.

3. COMPETITION

SSML shall fully strive for establishment and support of competitive open market economies and shall co-operate in the efforts to promote the progressive and judicious liberalisation of trade and investment in the country. Specifically, SSML shall not engage in activities, which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

SSML shall market its products and services on its own merits and shall not make unfair and misleading statements about competitor's products or services. Any collection of competitors' information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

4. EQUAL-OPPORTUNITIES EMPLOYER

SSML shall provide equal opportunity to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability or veteran status. Employees of SSML shall be treated with dignity and in accordance with the SSML policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit based.

5. GIFTS AND DONATIONS

SSML or its employees shall neither receive nor offer/make, directly or indirectly, any illegal payment, remuneration, gift, donation or comparable benefit which are intended to or perceived to obtain business or uncompetitive favour for conduct of its business. However, SSML and its employees may accept and offer nominal gifts, which are customarily given and are of commemorative nature for special events.

6. GOVERNMENT AGENCIES

SSML or its employees shall not offer or give any Company fund or property as donation to any of the government agencies or their representatives, directly or through intermediaries, in order to obtain any favourable performance of official duties.

7. POLITICAL NON-ALIGNMENT

SSML shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system. SSML shall not support directly or indirectly any specific political party or candidate for political office. Company shall not offer or give any Company fund or property as donation, directly or indirectly, to any specific political party, candidate or campaign.

8. HEALTH, SAFETY AND ENIRONMENT

SSML shall strive to provide safe and healthy working environment in the conduct of its business / affairs, with all regulations regarding preservation of the environment of the territory it operates in. SSML shall be committed to prevent wasteful use of natural resources and minimize any hazardous impact of the development, production, use or disposal of any of its products or services on the ecological environment.

9. QUALITY OF PRODUCTS AND SERVICES

SSML shall be committed to supply goods and services of highest quality standards backed by efficient after-sales service, wherever required, consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the Company's goods and services should meet the required national standards and the Company should endeavour to achieve international standards.

10. CORPORATE CITIZENSHIP

SSML shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant. Such social responsibility would include supporting community initiatives in the field of community health, family welfare, water management, vocational training, education and literacy to encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities. The Company will not treat these activities as optional ones but will strive to incorporate them as integral part of its business plan. The Company would also encourage volunteering amongst its employees and help them to work in the communities. Sambandam group is encouraged to develop social accounting systems and to carry out social audit of their operations.

II CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

In performing their functions, directors and senior management of the Company shall :

- 1) act honestly, diligently and in good faith and integrity in all their dealings with the Company and for the Company.
- 2) not use any confidential information obtained by them in the course of their official duty, whether from the Company or otherwise, for personal gain, or use / allow the use of such information for the financial benefit for any other person.
- 3) not engage in any business, relationship, or activity, which might detrimentally conflict with the interest of the Company.
- 4) maintain the principle of need to know and also confidentiality of all material non-public information about the Company, its business and affairs.
- 5) abide by all applicable laws and regulations including the Company's 'Prohibition of Insider Trading code'.
- 6) not use their status to seek or accept any personal gain or favour from those doing or seeking to do business with the Company or from other employees of the company.
- 7) not accept gifts in cash or kind, either by themselves or by their close family members, particularly if this is likely to lead to a business relationship with the Company. (However, an exception to this may be made for non-cash gifts up to a value of Rs.2000/, and for items that can be reciprocated such as tickets to events, business meals etc. If refusing a gift beyond this value, would affect a relationship with the company, the gift may be accepted and handed over to the Company.)
- 8) not share any information regarding the Company, its business and/or affairs with the media without the prior approval of the CMD/JMD.
- 9) not employ any of their relatives or deal with them on Company's behalf without proper authorization, obtained after disclosing their relationship.
- 10) treat all employees with dignity, respect and concern and treat them on parity at all times.

In addition, while performing their Board and Board Committee functions, the directors shall:

- not hold position of Director/Advisor with a competitor company.
- inform the CMD of changes in their interests that may interfere with their ability to perform their duties, and in the case of "independent directors", impact their independence as a Board member.

Further, in terms of the Companies Act, 2013, independent directors of the Company shall perform the following duties:

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company.

- 3) strive to attend all the meetings of the Board of Directors and of the Board committees of which he is a member.
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members.
- 5) strive to attend the general meetings of the Company.
- 6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting.
- 7) keep themselves well informed about the Company and the external environment in which it operates.
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or Board Committee.
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.
- 10) ascertain and ensure that the Company has an adequate and functional vigil mechanism to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use.
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct / other policies.
- 12) act within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
- 13) not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

This Code embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of the Company's long-term excellence.

All the Directors and senior management personnel shall affirm compliance with this Code on an annual basis.

III CODE OF CONDUCT FOR PREVENTION OF INSIDERTRADING

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations) every listed company is required to adopt its own Code to prevent insider trading. The Company has accordingly adopted the following Code.

1. APPLICABILITY

- a. This Code is applicable to the following persons with regard to trading in the Company's securities:
 - i. Directors and officers of the Company as defined under the regulations (which include Company Secretary, Chief Financial Officer and Auditors) hereinafter referred to as 'Officers' and their assistants.
 - ii. All the employees (including temporary employees and trainees) in the corporate finance/accounts department and the secretarial department.

- iii. Any one who may be designated as President, Managing Director, Joint Managing Director, Executive Director or Vice President has access to or is likely to have access to unpublished price sensitive information relating to the Company.

For the purpose of this Code, the aforesaid persons are individually or collectively referred to as "Designated Persons".

This Code is applicable to trading in the Company's securities. Reference to the term "Company", wherever the context requires will also refer to the Associate Companies of SSML.

2. DEFINITION OF CERTAIN TERMS

- a. **Price sensitive information** means any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of the Company's securities.

In particular, the following shall be deemed to be price sensitive information:

- i. Declaration of Financial results (quarterly, half-yearly or annual)
 - ii. Intended declaration of dividend (interim or final)
 - iii. Issue of securities by way of public, rights, bonus etc.
 - iv. Buyback of the Company's securities
 - v. Any major expansion plans or execution of new projects
 - vi. Amalgamation, mergers and takeovers
 - vii. Disposal of whole or substantially the whole of the undertaking
 - viii. Any significant changes in policies, plans or operations of the Company
- b. **Securities** shall include the Company's securities, debentures or other like instruments which are traded on any of the Indian Stock Exchanges.
 - c. **Trading window** refers to the period during which the Company's securities can be traded by the designated person as provided in this Code.
 - d. **Compliance Officer** is the Company Secretary who will report to the Chairman and Managing Director of the Company.
 - e. **Dependents** for the purpose of this Code mean spouse and unmarried children.
 - f. **Regulations** means Securities and Exchange Board of India (Prohibition of Insider Trading) regulations, 2015.

3. ROLE OF THE COMPLIANCE OFFICER

- a. Compliance Officer is responsible for setting forth policies, procedures, monitoring adherence to the rules for preservation of "Price Sensitive Information", pre-clearing of trade by designated employees and their dependents, monitoring of their trade in the Company's Securities and implementation of the Code of Conduct under the overall supervision of the Board of Directors of the company.
- b. Employees of the Company shall take guidance of the Compliance Officer with regard to any clarification on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and this Code of Conduct.

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4. PRESERVATION OF 'PRICE SENSITIVE INFORMATION'

- a. Designated persons shall maintain confidentiality of all the Price Sensitive Information. Designated persons shall not pass on such information to any one directly or indirectly by way of making a recommendation for purchase or sale of the securities of the Company.
- b. Price Sensitive Information is to be handled strictly on a 'need to know' basis, i.e., Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.
- c. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word.

5. PREVENTION OF MISUSE OF UNPUBLISHED 'PRICE SENSITIVE INFORMATION'

PART-I

- a. All the designated persons shall be subject to the trading restrictions given in the following paragraphs.
- b. The Company shall specify a trading period, to be called "trading window", for trading in the Company's securities. The time for commencement of closing of trading window shall be decided by the Compliance Officer.
- c. The trading window shall be closed during the time the information referred below is unpublished.
 - i. Declaration of financial results (quarterly, half-yearly, nine-month and annual) ;
 - ii. Intended declaration of dividends (interim and final) ;
 - iii. Issue of securities by way of public / rights / bonus etc. ;
 - iv. Buyback of Company's securities ;
 - v. Any major expansion plan or execution of new projects ;
 - vi. Amalgamation, merger or takeover proposals;
 - vii. Disposal of whole or substantially the whole of the undertaking ;
 - viii. Any significant changes in policies, plans or operations of the company.

The trading window shall be opened 24 hours after the information referred to above is made public.

- d. The trading window shall also be closed during the time any unpublished price sensitive information is available to the designated person/s.
- e. Without prejudice to the generality of the foregoing, trading is not permitted during the following periods:

During the months of January, July and October, from the beginning of the month until the expiry of 24 hours after publication of the respective quarterly results.

From the close of the financial year (31st March) until expiry of 24 hours after publication of the audited financial results approved by the Board.

Any other period as the Compliance officer may stipulate from time to time.

- f. Designated persons shall not deal in the Company's securities on the basis of any unpublished price sensitive information or communicate any unpublished price sensitive information to any one except as required in the ordinary course of business, profession or employment or under any law. Likewise designated persons shall not procure any other person to deal in the securities of the Company on the basis of any unpublished price sensitive information. They may trade in the Company's securities only when the trading window is open.

- g. Subject to Clause 6 of this Code all the designated persons of the Company shall conduct their dealings in the securities of the Company only in a valid trading window and shall not deal in the Company's securities during the periods when trading window is closed or during any other period as may be specified by the Company from time to time.
- h. In case of employee stock option plans (ESOPs) , exercise of option may be allowed during the period when the trading window is closed. However, sale of securities allotted on exercise of ESOPs shall not be allowed when trading window is closed.

PART-II

Policy and procedures for inquiry in case of leak of Unpublished price sensitive information

“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 include but not restricted to, information relating the following:

- Financial results;
- Dividends;
- Change in capital structure;
- Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- Changes in key managerial personnel.

“Insider”

Means any person who is:

- a connected person; of
- in possession of or having access to unpublished price sensitive information

“Internal controls” includes;

- all employees who have access to UPSI are identified as designated employee
- all the UPSI shall be identified and its confidentiality shall be maintained
- adequate restrictions shall be place on communication
- Confidentiality agreements shall be signed or notice be served to all such employees and persons
- Periodic review to evaluate effectiveness by Audit Committee

“Disciplinary Action”

means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

“Disclosure of UPSI”

means a concern raised by a written communication made in good faith that discloses of UPSI information it entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is on opinion that sharing of such information is in the best interests of the Company.

SCOPE OF THE POLICY

- The policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company;
- This policy is an extension of Code of Internal Procedures and Conduct for Regulating Monitoring and Reporting of Trading by Insiders;
- Insiders should not act on their own in conducting any investigation activities;
- Any untrue allegations will not be taken up and investigated and appropriate action will be taken for the same;
- Appropriate and fair enquires and verification on market rumours;

INVESTIGATION AND PROCEDURE OF INQUIRY

- Board of Directors authorise immediate superior of the department and Company secretary & compliance Officer of the Company to initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.

- How to Report;

You must report all suspected violations to

- i. Your Immediate Superior
- ii. CS and Compliance Officer ;

If you have reason to believe that your immediate supervisor or the Compliance Officer is involved in the suspected violation, your report may be made to the Audit Committee

- The investigation shall be completed normally within 45 days of the receipt of the complaint
- If it is not completed within 45 days, Compliance officer shall provide proper explanations to the Chairman of the Audit Committee for the delay.
- Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and such failure will be addressed with appropriate disciplinary action, including possible termination of employment.
- All reports under this Policy will be promptly and appropriately investigated and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.
- Everyone working for or with the Company, should cooperate in the investigation of reports of violations
- Failure to cooperate in an investigation or deliberately providing false information during an investigation can be the basis for disciplinary action, including termination of employment.

- If, at the conclusion of investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.
- All documents related to reporting, investigation and enforcement pursuant to this Policy shall be kept in accordance with the Company's record retention policy and applicable law

REVISION

The Audit Committee or the Board of Directors can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with central, state or local regulations and/or accommodate organizational changes within the Company.

PART-III

Policy for Determination of "Legitimate Purposes"

"Legitimate purpose"

Shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professional or other advisors or consultants, which sharing carried out to evade or circumvent the prohibitions of these regulations.

"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 include but not restricted to, information relating the following:

- Financial results;
- Dividends;
- Change in capital structure;
- Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- Changes in key managerial personnel.

"Insider"

Means any person who is:

- a connected person; of
- in possession of or having access to unpublished price sensitive information

COMMUNICATION OR PROCUREMENT OF UPSI

- Notice shall be given to all such persons to maintain confidentiality of such UPSI;
- UPSI may be communicated, where the board of directors is of opinion that sharing of such information is in the best interest of the company, in connection with a transaction that would entail an obligation to make an open offer under the takeover regulation;

- The board of directors and parties execute agreement to contract confidentiality shall not trade in securities of the company when in possession of UPSI;
- Board of directors shall ensure structured digital data base is maintained with time stamping along with Permanent Account number or any other identification of authorized by law where PAN is not available;

CODE OF FAIR DISCLOSURE AND CONDUCT

- Shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of UPSI;
- Every amendment shall be promptly be intimated to Stock Exchange;
- Shall ensure uniform and universal dissemination of UPSI;
- Company Secretary and compliance officer of the company duly authorised to deal with dissemination of information and disclosure of UPSI;
- Appropriate and fair response to queries;
- Information shared with analysts and research personnel shall not be UPSI;
- Summaries of proceedings of meetings with analysts and other investor conferences be disseminated of official website.
- Handling of all unpublished price sensitive information on a need-to know basis.

6. PRE-CLEARANCE OF TRADES

- a. All designated persons and their dependents who intend to deal in the securities of the Company should take pre-clearance of the transactions as per the pre-dealing procedure described hereunder.
- b. An application for this purpose shall be made to the Compliance officer indicating the estimated number of securities that the designated person intends to deal in, details as to the depository with which he has the security account, number of securities held by him in physical mode and demat mode and such other details as may be required by the Company in this regard.
- c. An undertaking shall be executed in favour of the Company by such designated person incorporating the following clauses as may be applicable:
 - i. That the designated person does not have any access or has not received up to the time of signing the undertaking any 'Price Sensitive Information' which has remained unpublished and not in the public domain.
 - ii. That in case the designated person has access to or receives unpublished price sensitive information after the signing of the undertaking but before the execution of the transaction, he/she shall inform the Compliance officer of the change in his/her position and that he/she should completely refrain from dealing in the securities of the Company till the time such information becomes public.
 - iii. That he/she has not contravened this Code.
 - iv. That he/she has made full and true disclosure while applying for clearance to trade

7. OTHER RESTRICTIONS

- a. All designated persons 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 designated employee must get pre-clearance of the transaction again.
- b. Designated persons and their dependents who buy or sell any number of securities shall not enter into an opposite transaction viz., sell or buy as the case may be for a period of six months following the previous transaction. Further, they shall also not take any position in derivative transactions in the securities at any time.
- c. In the case of subscription in the primary market (initial public offers), the above mentioned persons/entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
- d. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance officer after recording in writing reasons in this regard.

8. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

a. Initial Disclosure

All designated persons are required to forward the details of their holdings in the Company's securities and the statement of dependent family members' holdings to the Compliance officer within 2 working days from the date of joining the Company / date of becoming a designated person, as the case may be;

Any person who is a director/officer shall disclose to the Compliance Officer the number of securities or voting rights held and position taken in derivatives by himself and his dependent family members within two working days of becoming the director/officer of the Company.

Any person who holds more than 5% securities or voting rights in the Company shall disclose to the Compliance Officer within two working days of a) receipt of intimation of allotment of securities; or b) acquisition of securities or voting rights as the case may be.

b. Continual Disclosures

In the event of any change in the securities holding exceeding 2%, of any person who holds more than 5% of the securities or voting rights in the Company, the change is required to be disclosed to the Compliance Officer immediately.

In case of directors and officers, any change exceeding Rs. 5 lakhs in value, or 25,000 securities or 1% of the total voting rights whichever is lower is required to be reported to the Compliance Officer immediately. In addition, the director or officer of the Company shall also disclose the above details in the prescribed form directly to the Bombay Stock Exchange where the securities of the Company are listed.

The above disclosures are required to be made within 2 working days of receipt of allotment of securities or acquisition or sale of securities / voting rights, as the case may be.

c. Quarterly & Annual Disclosures

All the designated persons are required to forward to the Compliance officer the following details of their dealings in the Company's securities, which should include the statement of dependent family members.

- i. Quarterly statement of any dealing in the Company's securities. This should be sent within 15 days from the close of the quarter. However this need not be filed, if the person concerned has already filed the intimation with the Company in respect of such transactions.
- ii. Annual statement of holdings in securities. This should be sent within 30 days from the close of the financial year.

Compliance officer shall maintain record of designated persons and any changes made to this list. The Compliance officer shall also maintain record of all the declarations in the appropriate Forms given by the designated persons for a minimum period of three years.

Compliance officer shall place before the Chairman and Managing Director of the Company, on a monthly basis, all the details of the dealing in the Company's securities by designated persons and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.

9. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

- a. Any designated person who trades in the Company's securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by the Company.
- b. Designated persons who violate this Code shall also be subject to disciplinary action by the Company, which may include wage freeze, ineligibility for future participation in employee stock option plans, suspension, termination, etc.
- c. Any action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.

10. INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In case it is observed by the Company/Compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, by any designated person, SEBI should be informed by the Company at the earliest.

11. FORWARD DEALINGS IN SECURITIES OF THE COMPANY PROHIBITED

Forward dealings in securities of the Company is strictly prohibited under law in the case of Directors and Key Managerial Personnel (as defined under the Companies Act, 2013) of the Company. Accordingly, no such person shall buy the shares of the Company or that of its Holding, Subsidiary or Associate Company:

- a. a right to call for delivery or right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
- b. a right, as he may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount or relevant debentures.

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