

**SAYAJI INDUSTRIES LIMITED**

**CODE OF CONDUCT TO REGULATE, MONITOR**

**AND**

**REPORT TRADING BY INSIDERS**

## TABLE OF CONTENTS

1. PREFACE.....	3
2. DEFINITION.....	3
3. PROHIBITION ON COMMUNICATION OR PROCUREMENT OF UPSI.....	6
4. PROHIBITION ON INSIDER TRADING .....	7
5. TRADING PLANS .....	7
6. TRADING RESTRICTIONS.....	8
7. PRE-CLEARANCE OF TRADES .....	9
8. OTHER RESTRICTIONS.....	11
9. ROLE OF THE COMPLIANCE OFFICER.....	11
10. DISCLOSURE REQUIREMENTS FOR TRANSACTIONS IN SECURITIES.....	12
11. PENALTY FOR CONTRAVENTION OF THE CODE.....	13
12. MISCELLANEOUS .....	14

## 1. PREFACE

Sayaji Industries Limited (the “**Company**”) endeavours to preserve the confidentiality of Unpublished Price Sensitive Information (as defined herein) and prevents misuse of such information. We are committed to dealing with all stakeholders with full transparency and fairness, ensuring adherence to all laws and regulations and achieving highest standards of corporate governance.

Insider trading means dealing in securities by persons who enjoy a special status on account of access to Unpublished Price Sensitive Information. As a result thereof, such persons are able to use Unpublished Price Sensitive Information for individual benefit, at the expense of the general investors.

As per Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the board of directors of every listed company and market intermediary is required to formulate a code of conduct by adopting the minimum standards set out in Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to regulate, monitor and report trading by its employees and other connected persons.

In compliance with the Insider Trading Regulations, this ‘**Sayaji Industries Limited - Code of Conduct to Regulate, Monitor and Report Trading by Insiders**’ has been formulated, approved and adopted by the board of directors of the Company on November 09, 2015 and is applicable with immediate effect.

## 2. DEFINITION

For the purpose of the Code the following terms shall have the meanings assigned to them hereunder:

- i. “**Act**” means the Securities and Exchange Board of India Act, 1992;
- ii. “**Board**” means the board of directors of the Company;
- iii. “**Code**” shall mean Sayaji Industries Limited - Code of Conduct to Regulate, Monitor and Report Trading by Insiders, as amended from time to time;
- iv. “**Code of Fair Disclosure and Conduct**” means the code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information, as amended from time to time;
- v. “**Compliance Officer**” means the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code.

- vi. **“Connected Person”** means:
- a) any person who is or has during the 6 months prior to the concerned act been associated with the 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 of the Company or is reasonably expected to allow such access.
  - b) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
    - (i) an Immediate Relative of connected persons specified in Clause (a); or
    - (ii) a holding company or associate company or subsidiary company of the Company; or
    - (iii) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
    - (iv) an investment company, trustee company, asset management company or an employee or director thereof; or
    - (v) an official of a stock exchange or of clearing house or corporation; or
    - (vi) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
    - (vii) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
    - (viii) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
    - (ix) a banker of the Company; or
    - (x) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent of the holding or interest.
- vii. **“Director”** means a member of the Board.
- viii. **“Designated Person(s)”** shall include the following:
- (a) Directors;
  - (b) Key Managerial Personnel;

- (c) Chief Commercial Officer;
  - (d) General Counsel; and
  - (e) Any other person as identified and notified by the Compliance Officer from time to time, with the approval of the Board.
- ix. **“Employee”** means employee of the Company;
  - x. **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis;
  - xi. **“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;
  - xii. **“Insider”** means any person who is
    - (a) a Connected Person; or
    - (b) in possession of or having access to Unpublished Price Sensitive Information;
  - xiii. **“Insider Trading Regulations”** means the Securities and Exchange - Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
  - xiv. **“Key Managerial Personnel”** means person as defined in Section 2(51) of the Companies Act, 2013;
  - xv. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
  - xvi. **“Stock Exchanges”** means the stock exchanges on which the Securities of the Company are listed or proposed to be listed;
  - xvii. **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
  - xviii. **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
  - xix. **“Trading Day”** means a day on which the recognized stock exchanges on which Securities of the Company are listed are open for trading and the word “Trade” shall be construed accordingly;
  - xx. **“Trading Plan”** shall have the meaning assigned to such term in Clause 5.1;

- xxi. **“Trading Window”** means the period determined by the Compliance Officer, within which the Designated Persons are permitted to Trade;
- xxii. **“Unpublished Price Sensitive Information”** or **“UPSI”** means any information, relating to the Company or its Securities, listed or to be listed, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily include without limitation, information relating to the following:
  - a) financial results;
  - b) dividends;
  - c) change in capital structure;
  - d) mergers, de-mergers, acquisitions, delisting, disposals, amalgamation, restructuring, arrangement, spin off and expansion of business and similar other transactions;
  - e) changes in Key Managerial Personnel;
  - f) proposed changes in the general character or nature of its business; and
  - g) material events in accordance with the listing agreement.
- xxiii. **“Working Day”** means the working day when the regular trading is permitted on the concerned Stock Exchange.

Words and expressions used and not defined in this Code but defined in the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meaning assigned to them in those legislation as the context may so require.

### **3. PROHIBITION ON COMMUNICATION OR PROCUREMENT OF UPSI**

- 3.1 All information shall be handled by the Company on a need-to-know basis and no Insider shall:
  - (i) communicate, provide, or allow access to any UPSI, relating to the Company or its securities listed or proposed to be listed, to any person including other Insiders, except in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations;
  - (ii) procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities listed or proposed to be listed except in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations.
- 3.2 Provided that Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- (i) entail an obligation to make an open offer under the Takeover Regulations where the Board is of informed opinion that the proposed transaction is in the best interests of the Company; or
- (ii) not attract the obligation to make an open offer under the Takeover Regulations but where the Board is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least 2 Trading Days prior to the proposed transaction being effected in such form as the Board may determine.

3.3 For purposes of Clause 3, the Board 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, except for the purpose of Clause 3, and shall not otherwise Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

#### **4. PROHIBITION ON INSIDER TRADING**

No Insider shall directly or indirectly Trade in Securities that are listed or proposed to be listed when in possession of UPSI.

#### **5. TRADING PLANS**

5.1 No Insider shall Trade in the Securities of the Company when in possession of any Unpublished Price Sensitive Information except in cases where the Trades are pursuant to a Trading Plan (defined below) set up in accordance this Code.

5.2 An Insider shall be entitled to formulate a trading plan ("**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.

5.3 Such Trading Plan shall:

- (i) not entail commencement of trading on behalf of the Insider earlier than 6 months from the public disclosure of the Trading Plan;
- (ii) not entail Trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced and the second Trading Day after the disclosure of such financial results;
- (iii) entail Trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another Trading Plan is already in existence;
- (v) set out either the value of Trades to be effected or the number of securities to be traded along with the nature of the Trade and the intervals at, or dates on which such Trades shall be effected; and
- (vi) not entail Trading in Securities for market abuse.

5.4 The Compliance Officer shall review the Trading Plan to assess whether the Trading Plan would have any potential for violation of the Insider Trading 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 Trading Plan.

5.5 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the Trading 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 UPSI in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes Generally Available Information so as to avoid a violation of the Insider Trading Regulations and the Code.

5.6 Upon approval of the Trading Plan, the Compliance Officer shall notify the Trading Plan to the Stock Exchanges on which the Securities are listed.

## **6. TRADING RESTRICTIONS**

6.1 The Company shall specify a Trading period for Designated Persons to be called “**Trading Window**”, for trading in the Securities of the Company in compliance with the Insider Trading Regulations. The Trading Window shall also be applicable to any other person having a contractual or fiduciary relation with the Company including, but not restricted to auditors, accountancy firms, law firms, analysts, consultants, etc., advising or assisting the Company, as may be specified by the Company. Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for Trading in the Securities of the Company.

6.2 The Trading Window shall be closed for Designated Persons, category of persons mentioned in Clause 6.1 above and Immediate Relatives of all such persons, from a date that is 7 days prior to the end of the financial period for which results are required to be announced by the Company and shall reopen 48 hours after the announcement of financial results by the Company.

6.3 In addition to the above, the Trading Window shall also be closed for the following purposes:

- (i) Declaration of dividends (interim and final);
- (ii) Change in capital structure;
- (iii) Amalgamation, mergers, de-mergers, takeovers, acquisitions, delisting and buy-back;

- (iv) Changes in Key Managerial Personnel; and
- (v) Material events in accordance with the listing agreement.

The Trading Window for the aforesaid purposes shall be closed for a Designated Person or a class of Designated Persons for which the Compliance Officer determines that such Designated Person, or such class of Designated Persons, are reasonably expected to be in possession of Unpublished Price Sensitive Information. The Trading Window shall reopen after closure, not earlier than 48 hours after the Unpublished Price Sensitive Information in question becomes generally available.

- 6.4 The Compliance Officer (in consultation with the President and Whole Time Director) may close the Trading Window for a longer period or for any events other than those suggested in Clause 6.3 above, as it may deem fit after taking into account the nature and sensitivity of Unpublished Price Sensitive Information.
- 6.5 In case of employee stock options, exercise of options may be allowed in the period when the Trading Window is closed. However, sale of Securities allotted on exercise of employee stock options shall not be allowed when Trading Window is closed.
- 6.6 For avoidance of doubt, it is clarified that during the closure of the Trading Window, dealings in Securities are prohibited for all persons listed out in Clause 6.1, whether the same are within, or in excess of, the threshold limit notified under Clause 7 of this Code, i.e. whether requiring pre-clearance or not. Applications for pre-clearance will not be entertained during the period when the Trading Window is closed and Designated Person would need to apply afresh for clearance of Trades following the re-opening of the Trading Window, if they intend to enter into the applied-for transaction.
- 6.7 If a Trading Window closure is announced after the grant or deemed grant of pre-clearance but during the validity period of such pre-clearance or deemed pre-clearance, the pre-clearance or deemed pre-clearance shall immediately become void prospectively. Transactions already entered into prior to the announcement of the Trading Window closure, will however, not be considered in violation of this Code.

## **7. PRE-CLEARANCE OF TRADES**

- 7.1 All Designated Persons, who intend to Trade in the Securities of the Company, when the Trading Window is open, should pre-clear the transactions, by making an application in the prescribed form and the prescribed undertaking to the Compliance Officer where the Trades during a calendar month exceed Rs. 500,000 in value. However, no Designated Person shall be entitled to apply for pre-clearance of any proposed Trade, if such Designated Person is in possession of UPSI even if the Trading Window is not closed. It is clarified that the threshold limit would apply in

respect of either type of transaction i.e. either buy / acquire or sell / dispose. Pre-clearance will not be required for exercise of employee stock options. While considering a pre-clearance application, the Compliance Officer shall give due regard to whether the undertaking given by the Designated Person, in relation to such person not being in possession of Unpublished Price Sensitive Information, is reasonably capable of being rendered inaccurate.

- 7.2 Applications for pre-clearance shall be made only during valid Trading Window period. Applications submitted during a period when the Trading Window is closed shall be invalid and will be deemed to have been automatically rejected. Requests for pre-clearance shall be cleared to the concerned Designated Persons normally within a period of 7 Working Days of receipt. Every approval shall be valid for a period of 7 Working Days from the date of approval, however such approval shall automatically deemed to be withdrawn if such period is superseded by closure of the Trading Window.
- 7.3 All Designated Person(s) and/or their Immediate Relatives shall execute their order in respect of Securities of the Company within 7 trading days after the approval of pre-clearance is given. If the order is not executed within 7 trading days after the approval is given, the designated persons must pre clear the transaction again.
- 7.4 Any transaction with regard to the Company's Securities under this pre-clearing procedure should be communicated to the Company within 48 hours of the conclusion of the transaction.
- 7.5 All Designated Persons and their immediate relatives shall not execute a contra trade i.e. sell or buy any number of shares during the next 6 months following the prior trade. The Compliance Officer is empowered to grant relaxation from strict application of this restriction for reasons to be recorded in writing provided that such relaxation does not violate this Code and/or the Insider Trading Regulations. Should a contra Trade be executed, inadvertently or otherwise, 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. Further, all Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.
- 7.6 In case the Compliance Officer or any of his Immediate Relatives wish to deal in the Securities of the Company, he would have to make the application in the prescribed form to the President & Whole Time Director of the Company or in his absence the Chairman of the Audit Committee who would consider the request normally within 7 Working Days as aforesaid. All other provisions of this Clause 7, would also apply to the Compliance Officer, as applicable.

## **8. OTHER RESTRICTIONS**

- 8.1 The disclosures to be made by any person under this Code shall include those relating to Trading by such person's Immediate Relatives, and by any other person for whom such person takes trading decisions.
- 8.2 The disclosures of Trading in Securities shall also include Trading in derivatives of Securities and the traded value of the derivatives shall be taken into account for purposes of this Code, provided that Trading in derivatives of Securities is permitted by any law for the time being in force.

## **9. ROLE OF THE COMPLIANCE OFFICER**

The Compliance Officer shall

- 9.1 be responsible for
- (i) following the policies and procedures laid down by the Board or a committee thereof, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information under the overall guidance and direction of the Board;
  - (ii) pre-clearing of Trades done by Designated Person and their Immediate Relatives
- monitoring Trades and the implementation of this Code under the overall supervision of the Board.
- 9.2 assist all Designated Person(s) in addressing any clarifications regarding the Insider Trading Regulations and the Code;
- 9.3 report on insider trading to the Board and in particular, shall provide reports to the Chairman of the Board at such frequency as may be stipulated by the Board;
- 9.4 seek such express undertakings from Designated Person(s) as may be necessary before approving Trading Plans and to monitor the implementation of Trading Plans;
- 9.5 be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI;
- 9.6 confidentially maintain a list of such Securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades. The Compliance Officer shall update the restricted list from time to time;
- 9.7 maintain a record of the disclosures made for a minimum period of 5 years.

## **10. DISCLOSURE REQUIREMENTS FOR TRANSACTIONS IN**

### **SECURITIES Initial Disclosure**

- 10.1 Every promoter, Key Managerial Personnel and Director of the Company, shall within 30 days of this Code taking effect, disclose to the Company the details of all holdings in Securities presently held by him including the statement of holdings of their Immediate Relatives in the prescribed form.
- 10.2 Every person, on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter shall disclose his holding of Securities of the Company as on the date of appointment or becoming a promoter, to the Company within 7 days of such appointment or becoming a promoter.

### **Continual Disclosure**

- 10.3 Every promoter, Employee and Director of the Company shall disclose to the Company the number of Securities acquired or disposed of within 2 trading days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 1,000,000 (Rupees Ten lakhs only).

### **Disclosures by other connected persons**

- 10.4 The Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in Securities in such form and at such frequency as may be determined by the Company in order to monitor compliance with the Code and the Insider Trading Regulations.

### **Disclosure by Company to Exchanges**

- 10.5 Within 2 Working Days of the receipt of disclosure or becoming of aware of such information under Clauses 10.1, 10.2 and 10.3 above, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed particulars of such Trades.
- 10.6 The Compliance Officer shall maintain records of all the disclosure for a minimum period of 5 years.

### **Periodic Reporting by Designated Persons**

- 10.7 Every Designated Person shall on a semi-annual basis, disclose to the Company the details of all Securities traded by him including the statement of holdings of their Immediate Relatives in the prescribed form. The first such disclosure shall be made within 30 days of end of December 2015. Thereafter disclosures shall be made each year, every 6 months i.e. 6 months ending June and December, within 30 days of expiry of the respective period.

## **Reporting to Board**

10.8 The Compliance Officer shall report to the Chairman of the Board on a quarterly basis the details of trading in Securities by

- Director(s);
- Key Managerial Personnel; and
- Designated Person(s).

## **Submission of disclosures and prescribed forms**

10.9 All submissions, forms etc., envisaged under the Code should be addressed to the Compliance Officer and forwarded to the following address for administrative purpose and taking appropriate action:

Company Secretary and Compliance Officer  
Sayaji Industries Limited  
P.O. Kathwada, Maize Products,  
Ahmedabad - 382430.

## **11. PENALTY FOR CONTRAVENTION OF THE CODE**

11.1 Every Employee/Designated Person(s)/ person having a contractual or fiduciary relation with the Company shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Immediate Relatives).

11.2 Every Employee/Designated Person(s) who Trades in Securities or communicates any Unpublished Price Sensitive Information for trading in Securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

11.3 Every Employee/Designated Person(s), who violates the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans or such other action(s) as the Company may decide.

11.4 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Insider Trading Regulations.

11.5 In case it is observed by the Compliance Officer that there has been a violation of the Insider Trading Regulations, SEBI shall be informed by the Company.

11.6 Any contravention to the Insider Trading Regulations shall be dealt with in accordance with the Act. Penalties for contravention of provisions of the Insider Trading Regulations may be leviable by SEBI which as on the effective date of the Code as per Section 15G of the Act is a penalty of at least Rs. 1,000,000 (Rupees Ten Lakhs), which may extend to Rs.

250,000,000 (Rupees Twenty Five Crores) or 3 times of profits made out of insider trading, whichever is higher. Further under Section 24 of the Act, any contravention of the provisions of the Act is punishable with imprisonment up to 10 years or fine up to Rs. 250,000,000 (Rupees Twenty Five Crore), or both.

## **12. MISCELLANEOUS**

- 12.1 All Employees/Designated Persons are advised to read this Code and the Insider Trading Regulations carefully and acquaint themselves with the provisions contained therein to ensure that their Immediate Relatives do not violate the Insider Trading Regulations / Code in letter or in spirit.
- 12.2 While a person may cease to be a Designated Person on retirement, resignation, etc. (and consequently would cease to be subject to this Code), he would continue to be a Connected Person for the purpose of the Insider Trading Regulations / Code for a period of 6 months from separation and consequently would continue to be subject to the Insider Trading Regulations / Code).
- 12.3 It is further re-iterated that the onus of providing necessary disclosure(s)/ intimation(s) shall be on the Insider, Designated Person, employee concerned and they themselves shall be personally liable to pay penalties/compensate the Company, if levied by Stock Exchanges / SEBI or other regulatory authorities.
- 12.5 The Company reserves the right to modify and/or amend this Code at any time. This Code and subsequent amendment(s) thereto, shall be published on the web-site of the Company.
- 12.6. If there are any queries or difficulties relating to the Insider Trading Regulations or this Code, please approach the Compliance Officer for assistance.

**THIS POLICY IS ONLY AN INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF EACH EMPLOYEE/DESIGNATED PERSON TO ENSURE COMPLIANCE OF THE INSIDER TRADING REGULATIONS, GUIDELINES AND OTHER RELATED STATUTES FULLY.**