

S R K Industries Limited

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information [Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Introduction

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interest of investors in general has introduced SEBI (Prohibition of Insider Trading) Regulation, 2015 ("The Regulation") read with Chapter IV Regulation 8(1) read with Schedule A of the SEBI (Prohibition of Insider Trading) Regulation, 2015 provides for formulation of a Code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information by the Board of Directors of Every Listed Company w.e.f May 15, 2015.

In Compliance of SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 (notified by SEBI on 31st December, 2018), the Board of Directors of S R K Industries Ltd has approved the amendments (which will be applicable from April 1, 2019) to code of Practices and Procedures for fair disclosure of unpublished price sensitive information (hereinafter referred to as "Code" on 30th March, 2019.

Objective

The objective of this Code is to formulate a stated framework and policy for fair disclosure and sharing of UPSI, events and occurrence that could impact price discovery in the market for company's securities as and when it becomes due for dissemination or disclosure and to maintain uniformity and fairness in dealing with all stakeholders.

Definitions

'Compliance officer' for the purpose of this code means the company secretary of the company. In absence of Company Secretary the Board of Directors may authorize another officer of the company who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations.

'Chief Investors Relations Officer' means Compliance Officer of the company

'Unpublished price sensitive information' (herein after referred to as 'UPSI') means any information, relating to a company or its securities, directly or indirectly, that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 including but not restricted to, information relating to the following: -

- i. Financial results;
- ii. Dividends;
- iii. Change in capital structure;
- iv. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- v. Changes in key managerial personnel;

'Legitimate Purpose(s)' shall mean sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the regulation.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of this code and due notice shall be given to such persons by compliance officer and/or person sharing such information to maintain confidentiality of such unpublished price sensitive information in compliance with this code and the regulation.

Principles of Fair Disclosure of SRK

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure;
3. The company secretary and compliance officer shall be chief investor relation officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available;
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities;
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information;
7. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made;
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis.

Code of Practices and Procedure for Fair Disclosure of UPSI

This Code is being framed with an aim to ensure timely and adequate disclosure of Unpublished Price Sensitive Information and the manner in which it shall be unvaryingly disseminated to the Investors on immediate and regular basis.

The company secretary and compliance officer shall be "Chief Investor Relations Officer" (herein after referred to as 'CIRO') to deal with dissemination of information and disclosure of UPSI for the purpose of this Code.

CIRO shall oversee and coordinate timely disclosure of UPSI to stock exchanges on which the Company is listed, analysts, shareholders, and research personnel. Any disclosure or dissemination of UPSI shall require prior approval of Managing Director or CIRO.

All the queries or requests for verification of market rumors by Regulatory Authorities shall be directed to CIRO. On receipt of such request(s), CIRO shall promptly consult the Chief Executive Officer/ Chief Financial Officer/ Board of Directors and respond to the Regulatory Authority in an appropriate manner without any delay. In case the Chief Executive Officer/ Chief Financial Officer/ Board of Directors deem it fit, CIRO shall make a public announcement for verifying or denying such rumors.

In order to ensure that the Company comply with this Code in letter and spirit, Guidelines prescribed in 'Annexure I' shall be followed.

Digital Database

The Company shall maintain a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared 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. The responsibility of maintaining such database shall be of the Compliance Officer of such other person as may be nominated by the Board of Directors.

Amendment

The Board of Directors of the Company reserves its right to amend or modify the code in whole or in part, at any time, when it deems appropriate, to be in compliance with the regulations.

THIS CODE IS AN INTERNAL DOCUMENT TO SERVE AS GUIDELINES TO AVOID INSIDER TRADING AS PER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS 2015 LAST AMENDED ON 21.01.2019 EFFECTIVE FROM 01.04.2019.

ANNEXURE-I

Disclosure/dissemination of Information

-Any information to be shared with any analyst and research personnel will be first given to the CISO. The CISO will verify and ensure that the information being shared with the analysts and research personnel is not UPSI. Only after receiving the necessary confirmation, any information will be shared with the analysts and research personnel.

-Unanticipated questions shall be noted by the CISO and be responded later after consultation with CEO/ Chief Financial Officer/ BOD. If the answer includes UPSI, a public announcement should be made before responding to the same.

Need to- Know

All UPSI shall be handled on a need-to-know basis. No UPSI shall be communicated to any employee, officer, director or other person except in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.

Preservation of UPSI

The persons who are privy to UPSI shall comply with this confidentiality obligation and shall not:

- Pass on UPSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company;
- Disclose UPSI to their family members, friends, business associates or any other individual;
- Discuss UPSI in public places;
- Disclose UPSI to any Employee who does not need to know the information for discharging his or her duties;
- Be seen or perceived to be dealing in securities of the Company on the basis of UPSI.
