

# SULABH ENGINEERS AND SERVICES LIMITED

## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

### PART – A PREAMBLE

Vide notification dated 15 January 2015, published in official gazette, Securities and Exchange Board of India (SEBI) has notified the SEBI Prohibition of insider Trading Regulation 2015 (herein after referred to as revised Regulations)

Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “Regulations”) requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Henceforth a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the “Code”) for Sulabh Engineers and Services Limited (the “Company”) is framed as under -

### PART - B DEFINITIONS

- (a) “Compliance Officer” means Company Secretary of the company.
- (b) “Connected person” shall generally include –
- Directors, Key Managerial Personnel, Specified Employees and Promoters (Referred to as “Designated Persons”) who may have access to unpublished price sensitive information; and
  - Immediate Relatives of the above;
- (c) "generally available information" means information that is accessible to the public on a non-discriminatory basis;
- (d) “insider” means any person who is:
- i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- (e) “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;
- (f) "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (g) “trading day” means a day on which the recognized stock exchanges are open for trading;
- (h) "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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 to the following: –
- i. financial results; ii. dividends; iii. change in capital structure;
  - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
  - v. changes in key managerial personnel; and
  - vi. Material events in accordance with the listing agreement.
- (i) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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## PART – C APPLICABILITY

This code shall apply to all insiders as defined at point (d) and connected persons as defined at point (b) of Part B (Definitions).

## PART - D THE CODE

### 1. Reporting

The Compliance Officer shall report to the Board of Directors (“Board”) and in particular, shall provide reports to the Chairman of the Board, on a monthly basis or at such frequency as may be stipulated by the Board.

### 2. Information on a need to know basis

All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider’s legitimate purposes, performance of duties or discharge of his/her legal obligations.

Norms to prevent the disclosure of Unpublished Price Sensitive Information:-

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered “inside areas” from those areas which deal with sale/marketing/investment advice or other departments providing support services, considered “public areas”.
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. In exceptional circumstances employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the Compliance Officer.

### 3. Designated Persons

The Chairman of the Board shall in consultation with the Compliance Officer specify the designated persons to be covered by such Code on the basis of their role and function in the organization. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

### Trading window

4. Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument for monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

5. The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company

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### Pre-clearance & trades

6. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above such limit as the Board may stipulate over any period of time. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

7. The Compliance Officer shall confidentially maintain a list as a “restricted list” as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

8. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

### PART - E

#### DISCLOSURE RESPONSIBILITIES & FORMATS

##### A. Initial Disclosures of holdings

Every promoter, key managerial personnel and director of the Company shall disclose (as per **Form A**) his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose (as per **Form A**) his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.

##### B. Continual Disclosures of trades

Every promoter, employee and director of the Company shall disclose to the Company (as per **Form B**) the number of such securities acquired or disposed of within two (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 such sums as may be specified by the Board; The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

C. Other formats / disclosures, to monitor compliance with these Regulations would be as under –

- Application-cum-undertaking for pre-clearance (as per **Form C**)
- Reporting of holdings in securities by Designated Persons as on 31 March, on an annual basis by 10 April (as per **Form D**)

### PART - F

#### PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

This Code is subject to review from time to time.

Date: 30th May 2015

Place: Kanpur