



**S K S TEXTILES LIMITED**

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

## **INTRODUCTION:**

S K S TEXTILES LIMITED (hereinafter referred to as “the Company”) endeavors to preserve the confidentiality and prevent the misuse of unpublished price sensitive information. The Company is committed to transparency and fairness in dealing with all stakeholders and ensuring adherence to all the applicable laws and regulations. Every Director, Officer, Designated Employee and connected person of the company has a duty to safeguard the confidentiality of all such information which he/she obtained in the course of performance of official duties. Directors, Officers, Designated Employees and connected persons of the company should not use their position to gain personal benefit. To achieve these objectives, the company hereby notifies this Code of Conduct

### **1. Definitions**

- A. ‘**Act**’ means the Securities and exchange Board of India Act , 1992
- B. ‘**Board**’ means the Board of Directors of the Company.
- C. ‘**Code**’ means the Code of conduct for prevention of insider Trading, as notified hereunder, including any amendments/ modifications made from time to time.
- D. ‘**Company**’ means S K S TEXTILES LIMITED
- E. ‘**Compliance Officer**’ means the company secretary of the Company or any other senior level employee who shall be directed by the Board of Directors of the Company, who shall be responsible for compliance policies, procedures, maintenance of records of trade and implementation of the code under supervision of the board.
- F. ‘**Connected Person**’ means:
  - (i) A Director means any person who is appointed on the Board of the Company.
  - (ii) All employees in the finance, Account, Tax, Secretarial and Legal Department.
  - (iii) Any person who holds a position involving a professional, business, contractual or fiduciary relationship with the company and who may reasonably be expected to have an access to unpublished price sensitive information in relation to the company.

(Explanation: for the purpose of this definition “connected person” shall include any person who was connected six months prior to an act of insider trading).

- (iv) Deemed to be connected person unless the contrary is established,
  - (a) An immediate relative of connected persons
  - (b) A holding company or associate company or subsidiary company ; or
  - (c) 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 percent of the holding or interest
- G. ‘**Dealing in Securities**’ means an act of subscribing to buy, selling or agreeing to subscribe to buy, sell or deal in the securities of the company either as principal or agent.
- H. ‘**Designated Employee(s)**’ shall include:
  - (i) Directors of the Company and all the officers of the company designated and appointed at two tiers below the Directors.

- (ii) All employee in the finance , accounts, Tax, Secretarial and legal Department
- (iii) Such other officer as may be notified by the Compliance Officer.

I. **“Dependent Of Designated Employee”** Following relatives of designated employees will be construed as dependents if they not having adequate and regular source of income:

- (i) Father
- (ii) Mother(including Step- Mother)
- (iii) Spouse
- (iv) Son(including step-son)
- (v) Son’s Wife
- (vi) Daughter(including step- daughter)
- (vii) Daughter’s Husband
- (viii) Brother (including step- brother)
- (ix) Sister(including step-sister)

J. **“Insider”** means any person who,

- (i) A connected person; or
- (ii) In possession of or having access to unpublished price sensitive information.

K. **“Insider Trading”** means dealing in securities of Company by an insider

L. **“Trading”** means and include subscribing, buying selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly

M. **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.

N. **“Trading Plan”** shall mean the plan for trades to be executed in the future by persons who have perpetual access to a unpublished price sensitive information.

O. **“Trading Window”** shall mean the window available for trading in the securities of the company.

P. **“Securities”** includes shares, scrips, stocks , bond, debentures, or other securities issued by the company

Q. **“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 material 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) Merger, de-mergers, acquisitions, delisting, 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

## **2. PROHIBITION ON DEALING ,COMMUNICATING OR COUNSELLING**

1. Dealing in securities of the company by the insider on his/ its own behalf or on behalf of any other person when in possession of any unpublished price sensitive is strictly prohibited
2. The insider shall not communicate, counsel or procure directly or indirectly any UPSI to any person who while in possession of such UPSI shall not deal in Company's Securities.  
This is not applicable for any communication made by the Insider in the Ordinary course of business or under any law.
3. No company shall deal in the securities of another company or associate of that Company while in possession of UPSI.

## **3. CODE OF INTERNAL PROCEDURE AND CONDUCT**

### **Compliance Officer**

1. The Company Secretary shall function as Compliance officer and shall report to the Chairman/ Managing Director.
2. 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 trades of designated employees' and their dependents', monitoring of trades and the implementation of the Code of conduct under the overall supervision of the Board of the company.
3. The Compliance officer shall maintain a record of the designated employee and any changes made in the list of designated employees.
4. The compliance officer shall assist all the employees in addressing any clarifications regarding the Regulation and the Company's Code of Conduct.

## **4. PRESERVATION OF PRICE SENSITIVE BY DIRECTORS/ DESIGNATED EMPLOYEES**

1. Directors/designated employees/connected person shall maintain the confidentiality of all prices Sensitive Information.
2. They shall not pass all such information to any person directly or indirectly by way of making any recommendations for purchase or sale of securities.
3. Unpublished Price Sensitive Information should be handled on ' Need to know 'basis i.e the sme should be needed to know only to those within the Company who need the information to discharge

their duties and whose position to such information will not give rise to conflict of interest or appearance of misuse of the information .

4. All non-public information directly received by an employee should immediately to be reported to the head of the department.

5. All files containing information shall be kept secured.

6. Computer files containing such information must have adequate security of login and Password etc.

## **5. PREVENTION OF MISUSE OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”**

All directors/designated employees/connected persons of the company to adhere to the trading restrictions as follows:

1. The company shall specify trading period called ‘Trading Window’ for trading in the Company’s securities. When the Trading window is closed, the Directors/ Designated Employees/connected person shall not trade in the Company’s Securities.

2. Trading window will be open 48hours after the Price Sensitive Information is made public.

3. to pre-clear the transaction as per the pre-clearing procedure.

4. to give an undertaking executed in favor of the Company in the specified format along with application for pre-clearance of trading.

5. to execute the orders in respect of securities of the Company within one week after the approval of the pre-clearance is given failing which the transaction should be pre-cleared again.

6. to hold investment in securities is necessitated by personal emergency, the holding period may be waived by the Compliance officer after recording in writing the reasons in this regard

7. 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 the reasons in this regard (Refer Application for waiver Form C)

8. to meet with reporting requirements for transactions in securities as well as holding position as specified.

## **6. RESTRICTION TO BUY/SELL SECURITIES BY DESIGNATED EMPLOYEES AND THEIR DEPENDENTS DURING THE CLOSURE OF TRADING WINDOW**

1. Connected person/ designated employees and their dependents shall not buy/sell securities of the company during the closure of the Trading window i.e. the period during which trading in securities of the company is prohibited.

2. Trading window shall be closed during the following periods:

i. At the time of Board meeting for approval of quarterly/half yearly/ annually financial results as the case may be for a period of Seven Days(7days). The period of seven days shall expire after forty eight hours of the announcement of financial results.

ii. From the date of notice to the stock exchange till twenty four hours after the announcement for the meeting of Board of directors in which any material price sensitive and unpublished event, including the following are proposed:

- Issue of Securities;
- Dividends;
- Significant expansion plans or new projects;
- Acquisition, amalgamation ,merger, takeover and buyback;
- Disposal of whole or substantially the whole of the undertaking;
- Significant changes in plans or operations of the Company.

3. In case of ESOP, exercise of option may be allowed in the period when trading window is closed. However, sale of shares allotted under ESOP shall not be allowed when the trading Window is closed.

4. the trading window shall also be applicable to any person having contractual or fiduciary related with the company, such as auditors, accountancy firm, law firms analysts, consultants etc., assisting or advising the company.

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

1. All connected person/ Designated Employees and their Dependent family member who intends to deal in the securities of the Company should pre-clear the transaction by making an application in the prescribed form (Form D ) to the Compliance officer if the value of proposed trades whether in one transaction or a series of transactions over any calendar quarter in excess of Rs. 10 Lakhs rupees or 50,000 shares or 1% of the total shareholding or voting rights, whichever is lower.

2. application in prescribed format along with the statement of holding by the designated employee and his dependents should be forwarded for approval to the Compliance officer.(Form E)

3. An undertaking shall be executed in favor of the company by all such designated employees and their dependent in the specified Format(Format F)

4. All directors/ connected persons/designated employees and their dependents shall execute their order in respect of the securities of the company within one week(7 days) after the approval of the pre-clearance is given, failing which the transaction shall be required to be pre-cleared again.

## **8. OTHER RESTRICTION**

1. The disclosure 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.

2.The disclosure 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 purpose of this code.

3. The disclosure made under this Code shall be maintained for a period of five year.

## **9. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES**

### **Initial Disclosure**

1. Every promoter/ key managerial personnel/ Director/Officers/ Designated Employees of the Company, within thirty days of these regulations taking effect, shall forward to the company the details of all holdings in securities of the company presently held by them including the statement of holdings of dependent family members in the prescribed Form A.

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 seven days of such appointment or becoming a promoter.( Form A)

### **CONTINUAL DISCLOSURE**

3. Every promoter, employee and Director of the Company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transaction over a calendar quarter , aggregates to a traded value in excess of Rs. 10 lakhs in the prescribed Form B.

The disclosure shall be made within 2 working days of:

(a) the receipt of intimation of allotment of shares, or

(b) the acquisition or sale of shares or voting rights , as the case may be .

## **10. PROHIBITION TO ENTER INTO ANY OPPOSITE TRANSACTIONS AND DERIVATIVE TRANSACTION**

1.All designated employees who buy or sell any number of shares of the company shall not enter into any opposite transaction i.e. sell or buy any numbers of shares during the next six months the following the prior transaction.

2. All designated employees shall also not to take position in derivative transaction in the shares of the company at any time.

3. In case of subscription in the primary market(initial public offer), the above mentioned entities shall hold their investments for a period of 30 days. The holding period would commence when the securities are actually allotted.

4. In case of sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard (FORM –D).

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

1. Every specified person shall be individually responsible for complying with the provisions of the code (including to the extent the provisions hereof are applicable to his/her dependents)
2. Any Specified person who trades in securities or communication any information for the trading in securities, in contravention of this code may be penalized and appropriate action may be taken by the company.
3. Specified Persons who violate 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 etc.
4. the action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI( Prohibition of Insider Trading )Regulation, 2015.

Forms and Formats under the code is appended herein below:



FORM A

Form for initial disclosure of all the details of shares held by Directors/ Designated Employees and connected persons/ Designated Employees at the time of joining

DATE:

To,

The Compliance Officer

.....

I. DETAILS OF SHAREHOLDING OF DIRECTORS/ DESIGNATED EMPLOYEES/CONNECTED PERSON HELD IN THEIR OWN NAME:

Name , Address & PAN of the Director/Employee	Designation	Department & Date of Joining	No. of shares Held	Folio no./ DP ID /Client Id
(1)	(2)	(3)	(4)	(5)

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS:

Name , address & PAN of the Relative	Relationship	No. of shares Held	Folio no./DP ID/ Client ID
(1)	(2)	(3)	(4)

I/We declare that I /we shall comply with and abide by the requirements of the SEBI(Prohibition of Insider Trading)Regulations and the code of internal procedure and Conduct for Prohibition of Insider Trading, during the course of my association/employment with the company.

Signature.....

**Form B**

**Date:**

**To,**

**The Compliance Officer**

.....

**ANNUAL DISCLOSURE**

**I.STATEMENT OF SHAREHOLDING OF DIRECTORS/CONNECTED PERSON/ DESIGNATED EMPLOYEES:**

<b>Name of the Directors/Designated Employee</b>	<b>Designation</b>	<b>Department</b>	<b>No. of shares held on 1<sup>st</sup> April .....</b>	<b>No of shares bought during the year</b>	<b>No. of shares sold during the year</b>	<b>No . of shares held on 31<sup>st</sup> March</b>	<b>Folio no/Dp ID/Client Id</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>

**II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS:**

<b>Name of Relative</b>	<b>Relationship</b>	<b>No. of shares held on 1<sup>st</sup> April....</b>	<b>No. of shares bought during the year</b>	<b>No. of shares sold during the year</b>	<b>No. of shares held on 31<sup>st</sup> March.....</b>	<b>Folio No. /DP ID/ Client ID</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>

I /We declare that I/we have complied with the requirements of minimum holding period of 30days with respect of the shares sold.

I/We further declare that the above disclosure is true and correct and is in accordance with the previous disclosure given to the Company.

**Signature.....**

**FORM-C**

**To,**

**The Compliance Officer**

.....

**APPLICAION FOR WAVIER OF MINIMUM HOLDING PERIOD**

**Dear Sir,**

I request you to grant me waiver of the minimum holding period of 30days as required under the code for prohibition of insider trading with respect to..... Shares of the company held by me/..... (name of the relative) singly/jointly acquired by me /my relative on.....(date).

I desire to deal in the said shares on account of following reasons:

- 1.
- 2.

Thank You

Yours Faithfully

(Name)

(Designation)

(Department)

**FORM –D**

**APPLICATION FOR PRE-CLEARANCE**

**Date:**

**To ,  
The compliance Officer**

**FROM :**

Name:

Designation

Department:

**Through Division /Department Head**

With reference to the Code for prohibition of insider Trading of....., I Seek your approval to subscriber to/agree to subscribe to /purchase/sell/deal as an agent/ principal in .....(nos) equity shares of the company .

The statement of shareholding as on .....and undertaking in the prescribed format are enclosed for your perusal in this connection as Annexure –I & Annexure –II respectively.

**Date:**

**Signature.....**

.....  
.....

**Pre- Clearance order**

This is to inform you that your request for dealing in .....(nos) shares of the company as mentioned in your above mentioned application is approved . Please note that the said transaction must be completed on or before ..... (date) that is within 7 days from today.

**DATE:**

**For .....**

**Compliance Officer**