

## **Super Sales India Limited**

### **Code of Conduct for Directors and Officers under SEBI (Prohibition of Insider Trading) Regulations, 2015.**

Securities and Exchange Board of India (SEBI) has issued new SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into force with effect from 15.05.2015. As per regulation 9 of the regulations, every listed company is expected to have an internal code of conduct for regulating insiders trading in the securities and derivatives of the Company. The code of conduct envisages disclosure of initial shareholding, subsequent changes thereof and also to observe the procedures while dealing in the securities and derivatives of the Company by its Designated persons.

Accordingly, the following regulations are adopted as the internal code of conduct for the prohibition of insider trading by the Company.

#### **The code of conduct to be adopted pursuant to Regulation. 9 (1)**

##### **Applicability:**

This internal code of conduct is applicable to all the designated persons and their immediate relatives.

##### **Definitions:**

- a. Compliance officer : Company Secretary is the compliance officer
- b. Designated persons shall mean
  - i. All promoters and promoter group
  - ii. Director of the company
  - iii. Officers as defined in the Companies Act, 2013 as amended from time to time
  - iv. All employees up to two level below CEO
  - v. Employees (including temporary employees) in the Corporate finance department as identified by the Chief Financial Officer
  - vi. All the employees (including temporary employees) in the secretarial and IT departments
  - vii. Any other connected person as may be specified by the Compliance officer/Whole time director/Managing Director from time to time
- c. Immediate Relatives means the spouse of a designated person and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such designated person or consults such designated person in taking decisions relating to trading in securities.

For the purpose of this Code, the declaration given by a Designated Person to the effect that an Immediate Relative is dependent financially on him/her or who consults him/her in taking decisions relating to trading in securities will be accepted.

:2:

- d. Unpublished price sensitive information means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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 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, delistings, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel; and

All other terms shall have the same meaning as defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall be applicable.

**Role of the Compliance officer:**

- a. Compliance of policies and procedures, maintenance of records, monitoring adherence to the code to preserve Unpublished price sensitive information **(UPSI)**.
- b. Approving and monitoring the implementation of trading plans; notify the trading plan to stock exchanges where the securities are listed, on approval of the plan.
- c. monitoring of trades and implementation of this Code under the overall supervision of the Board of Directors of the Company;
- d. reviewing the trading plan and assessing the potential of the plan for violation of the Regulations, if any;
- e. Assist designated persons in addressing any clarification regarding the SEBI (Prohibition of Insider Trading) Regulations, 2015 and this code of conduct and
- f. Quarterly reporting to the Audit Committee if there is any changes in the holdings of designated persons, receipt of request for pre – clearance, details of pre- clearance given/declined etc.

**Preservation of the Unpublished price sensitive information**

- a. All designated persons should maintain confidentiality of the UPSI. Designated persons shall not pass on such information to any person directly or indirectly.
- b. UPSI is to be handled with in or outside the company on need to know basis. UPSI is to be communicated to any person in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

...3

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- c. Any other persons including auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company who are expected to have access to UPSI in the course of business, shall be advised to formulate a code of conduct to regulate, monitor and report the trading by its employees/connected persons towards achieving the compliance of the regulations adopting the minimum standards set out in the Regulations and Schedule C of the Regulations without diluting any provisions. They are also subject to the trading window provisions.

### **Data base Management**

The Board of Directors shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and name of the person who have shared the information, with the names of such persons or entities, both internal and external, as the case may be with whom information is shared under the Regulations. Minimum information of such persons/entities including but not limited to Permanent Account Number, immediate relatives, material financial relationship, contact numbers, educational institutions, details of past employers, in case of non-availability of Permanent Account Number, then any other identity authorized by law.

The database shall be maintained with the adequate internal controls and checks.

Information as contained in the data base shall be maintained for a minimum period of 8 years after completion of relevant transaction and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured database shall be preserved till the completion of such proceedings.

### **Compliance Requirements:**

#### **Initial disclosure**

Every Designated person of the Company shall disclose to the company the number of shares held or positions taken in the derivatives by such person and his/her immediate relatives within 7 working days of becoming a Designated person of the Company. If there is a nil holding, it may also be intimated. Format enclosed (Format in annexure – Form 1 and Form 2)

In the event a new immediate relative comes into being or any existing immediate relative ceasing to be Dependent, the concerned Designated Person shall forthwith give a notice in writing of such changes to the Compliance Officer.

...4

### Continuous disclosure

Continual disclosure of securities or derivatives of the company acquired or disposed off by the designated person in case of value of securities so traded whether in one transaction or series of transactions, in one calendar quarter, aggregate value in excess of Rs. 10 Lakhs shall be made within two trading days of such transaction in the prescribed form. (form 4)

The Company within 2 trading days of receipt of the information shall inform to all the stock exchanges where the securities are listed.

#### **A. Quarterly declaration:**

A quarterly declaration shall also be given to the company. This declaration for the quarters April - June, July - September, October - December and January – March shall be submitted within 15 days from the end of each calendar quarter i.e. on or before 15<sup>th</sup> of July, 15<sup>th</sup> of October, 15<sup>th</sup> of January and 15<sup>th</sup> of April,. (Form 4)

#### **B. Annual statement:**

Annual statements of all holdings shall be submitted within 30 days of closing of a financial year i.e. on or before 30<sup>th</sup> of April of every year. (Form 5)

#### **Trading window Closure and trading restrictions:**

1. All Designated persons and their immediate relatives are subject to trading restrictions.
2. All designated persons not to advise any person to trade in the securities while being possession, control or knowledge of UPSI. Advice means but not limited to recommendations, opinions, suggestions, ideas.
3. The trading window will remain closed from the end of every quarter till 48 hours after declaration the financial results.
4. The company shall in consultation with the management specify a trading window closure period. During such period the designated persons and their immediate relatives shall not deal with the shares of the company. The timing for closing and opening of the trading window shall be determined by Compliance officer after taking into account of various factors.

:5:

5. The trading window shall also be closed when the compliance officer is of the opinion that a designated person or class of designated person is reasonably expected to be in possession of UPSI.
6. During the period of closure of the trading window the designated persons or their immediate relatives shall not trade in the securities of the Company.

### **Trading plan**

Any Insider who may be perpetually in possession of UPSI is entitled to formulate a trading plan enabling him/her to trade in securities. The Compliance Officer is required to review the trading plan to assess whether the plan potentially violates the Regulations.

Trading plan shall:–

- (i) not entail commencement of trading on behalf of the Designated person earlier than six months from the public disclosure of the 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 by the issuer of the securities 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;
2. The trading plan once approved shall be irrevocable and the designated person shall mandatorily have to implement the 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 unpublished price sensitive information is in possession of the designated person at the time of formulation of the plan and not become generally available at the time of the commencement of implementation. In such event the compliance officer shall defer the implementation until such unpublished price sensitive information becomes generally available.

3. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

...6

:6:

4. Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.
5. Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

#### **Trading window open and trading restrictions:**

1. During trading window open the Designated persons are allowed to trade in the securities subject to the pre –clearance as enumerated hereunder.
2. During trading window open period also if the designated person is in possession of any UPSI, he should not apply for pre-clearance or execute any trade. It is the responsibility of the respective Designated persons.

The following are the pre-requisites for dealing in securities of the Company:

#### **i) Pre - Clearance:**

- All designated Persons on their behalf and on behalf of their immediate relative who intend to deal in the securities of the Company during the period when the trading window is open, should obtain pre-clearance for the transaction(s) if the value of the transaction, either to be conducted through a single transaction or a series of transactions, exceeding Rs.10 lakhs in value (market value) in every calendar quarter.
- No Designated Person shall make an application 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 it is the responsibility of the Designated Persons to obtain approvals in respect of trades proposed to be conducted by them.
- An application may be made in the prescribed FORM NO 3, to the Compliance Officer indicating the estimated number of securities that the designated person intends to deal in, the details as to the depository with which he has a security account, number of securities held by him in physical and DEMAT mode and such other details as may be required by the Company in this regard.
- Compliance Officer shall either clear the requested deal or decline to clear the same within 7 days of receipt of the request in the prescribed form.

In case of Compliance officer or his immediate relative wishes to trade in the securities of the company, he should get pre-clearance from CFO and all the provisions of the pre-clearance shall also be applicable to Compliance officer.

**ii) Undertaking:**

An undertaking shall be executed in favour of the Company by such designated person confirming that:

- a. An Undertaking that the designated persons has no access or has not received any unpublished price sensitive information upto the time of signing the undertaking should also be given.
- b. In case designated persons has access to or receive any UPSI after signing of the undertaking but before execution of the transaction, he/she shall inform the change in his/her position to the Compliance officer and would completely refrain from trading of the securities of the company until such UPSI becomes generally available.
- c. That he/she has not contravened this Code.
- d. That he/she has made a full and true disclosure while applying for clearance to trade.

**iii) Execution of Purchase Order:**

The purchase or sale order should be executed within seven trading days from the date of clearance and if not, again the same procedure shall be followed. After execution of the trade the designated person shall inform to the compliance officer about the execution of the trade.

**iv) Period of holding the securities:**

When the shares are purchased by the designated person or his / her immediate relatives, they should hold at least for a minimum period of 6 months in order to be considered as being held for investment purpose. They shall not enter into any opposite transaction to buy or sell during the next six months.

**v) No positions be taken in derivatives:**

No Designated person or his / her immediate relatives shall take any position in the derivative segment of the securities of the Company

**vi) Reporting requirements:**

The initial reporting declarations, of holdings, periodical statement of holdings, annual statement of holdings, application for pre-clearance of trade etc. shall be forwarded to the Compliance Officer of the Company.

The compliance officer of the company shall maintain the records of all reports / declarations in appropriate form for a minimum period of five years.

## **INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING (INTERNAL CONTROLS):**

The Managing Director shall ensure that adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent insider trading.

Internal controls shall include the following:

- All employees who have access to UPSI are identified as Designated employee;
- All UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the Regulations;
- Adequate restrictions shall be placed on communication or procurement of UPSI as required by the Regulations;
- List of employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed, or notice shall be served to all such employees and persons;
- Periodic process review to evaluate effectiveness of the internal controls.

## **PROCEDURE FOR DISCLOSURE AND INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UPSI**

**Protected Disclosure** shall mean written communication made in good faith by any person disclosing information regarding the leak or suspected leak of UPSI. The person who made the protected disclosure will be called as whistle blower.

### **Procedure for disclosure:**

- All Protected Disclosures should be addressed to the Chief Financial Officer of the Company. The contact details of the Chief Financial Officer are as under:  
  
Chief Financial Officer  
Super Sales India Limited  
34A Kamaraj Road, Coimbatore -18.
- If the protected disclosure involves the Chief- Financial officer/Managing Director, the same shall be sent to the attention of the Chairman of the Audit Committee.
- In case leak or suspected leak of UPSI on which no written communication has been received, then the Chief financial officer/ Chairman of Audit Committee, as the situation demands have the power to suo-moto take cognizance of the fact.



- Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in the local language of the place in which the office/establishment is located.
- The Protected Disclosure should be forwarded to the Chief Financial Officer under a covering letter which shall bear the identity of the person issuing the Protected Disclosure.
- Identity of the person issuing the protected disclosure must be disclosed in the covering letter. Anonymous disclosures will not be entertained.
- The Chief Financial Officer shall detach the covering letter and discuss the Protected Disclosure with concerned persons as deemed fit, and or forward the Protected Disclosure for investigation / inquiry.
- Protected Disclosures should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and indicate the urgency of a preliminary investigative procedure.
- If initial inquiries done by the Chief Financial Officer indicate that the protected disclosure has no basis, or it is not a matter on which an investigation is to be pursued under this Policy, it may be dismissed at this stage and the decision should be reduced in writing and documented.
- Where initial inquiries indicate that further investigation is necessary, this will be carried through either by the Chief Financial Officer alone, or by a Committee Constituted by the Chief Financial Officer in consultation with the Managing Director. In a scenario wherein Managing Director / Chief Financial Officer is not able to constitute the Committee, then Audit Committee of Board of Directors shall constitute the Committee. The Committee can consist of Members of the Board and / or executives of the Company.
- The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be forwarded to the Chairman of the Audit Committee / Board of Directors.

**Procedure for Investigation:**

- All Protected Disclosures reported under this Policy will be thoroughly investigated by the CFO/Committee. In case of suo-moto action by the Chief Financial Officer or the Chairman of Audit Committee, the investigation will start on.

:10:

- CFO/Committee is required to conduct the process towards fact-finding and analysis. Technical and other resources may be drawn upon as necessary to augment the investigation. The CFO/Committee has a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- The decision to investigate taken by the Chief Financial Officer/Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion that an improper or unethical act was committed.
- The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- Subjects shall have a duty to co-operate with the Chief Financial Officer/Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coerced, coached, threatened or intimidated by the Subjects. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure/taking suo-moto of such incident. However, the Chief Financial Officer or the Committee shall have the powers to grant or extend time limit wherever it is necessary.

...11

- On submission of report, the Chief Financial Officer or the Committee shall discuss the matter with Audit Committee who shall either:
  - a. In case the Protected Disclosure/ suo-moto note of incident involving leakage or suspected leakage of UPSI, is proved, accept the findings of the Chief Financial Officer/ Committee/Investigators, take such Disciplinary Action as he/they may think fit and take preventive measures to avoid reoccurrence of the matter; This shall be done in consultation with the Managing Director, If possible.
  - b. In case the Protected Disclosure/ suo-moto note of incident involving leakage or suspected leakage of UPSI is not proved, close the matter;
  - c. Depending upon the seriousness of the matter, Chief Financial Officer may refer the matter to the Chairman of Audit Committee / Board of Directors with proposed disciplinary action/counter measures like suspension / termination of service/complaint to police etc., as the situation may warrant. The decision of the Audit Committee / Board of Directors is final and binding and
  - d. report the Board promptly about such leaks, inquiries / investigations and results of the inquiries / investigations.

**PROTECTION :**

- i) No unfair treatment will be meted out to a whistle blower by virtue of his/her having reported a report under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further report. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the report. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- ii) The identity of the Whistle Blower shall be kept confidential.
- iii) Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

## **SUBMISSION OF INFORMATION TO SEBI ON ALLEGED VIOLATION OF THE INSIDER TRADING LAWS**

An informant may submit information to SEBI on alleged violation of insider trading laws by complying with the procedures laid down under Chapter IIIA of the Regulations.

*Explanation: The term "Informant" shall have the meaning ascribed to it under the Regulations (as amended from time to time)*

The Regulations and the procedure laid down therein can be accessed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)

## **PROTECTION AGAINST RETALIATION AND VICTIMISATION**

The Company undertakes to provide suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination to any employee of the Company who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Regulations, by reason of:

- a. filing a Voluntary Information Disclosure Form under the Regulations;
- b. testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI;
- c. breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

### **Penalty:**

Designated persons who violate this code shall also be subject to disciplinary action by the Company, which would be determined by the Managing Director/Wholetime Director. The penalty may include wage freeze, suspension, Recovery, Claw Back, termination, ineligibility for future participation in employee stock option plans, etc.

The Disciplinary actions taken by the Company will not preclude SEBI from the invocation of penal provisions prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Any trade executed inadvertently or otherwise which is in violation of the code, the profit from such trade shall be liable to be disgorged for remittance to the SEBI for credit of investor protection and education fund.

Any amount collected as penalty / fine for contravention of the Company's code of conduct shall be remitted to the SEBI for credit of investor protection and education fund.

Any incident of contravention of the code and outcome of the investigation shall be communicated to stock exchanges where securities are traded

Amendment:

SEBI periodically issues notification/circulars to amend the Regulations. The Company in compliance of the same suitably amends the code if/as required. The Managing Director/Whole time Director is authorized to make minor modifications to this code which will remove ambiguities, enhance clarity on the provisions of the code. In case of major changes, the Board of Directors shall amend this policy, as may be required to be in line with the changes, amendments and modifications if any in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Further, in case of any amendment, clarification, circular, notification etc. issued by a competent authority, which is not consistent with the provisions laid down under this Policy, the provisions of such amendment, clarification, circular, notification, etc. shall prevail and this policy shall stand amended accordingly, without any further action, on and from the date on which such amendment, clarification, circular, notification comes in to effect.

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