



## SANCO TRANS LIMITED

### Code of Conduct to Regulate, Monitor and Report Trading by Insiders

1. This Code of Conduct will be known as "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" (hereinafter referred to as "Code").
2. This Code has been made pursuant to Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the "Regulations").
3. This code will be in effect from 15 May 2015.

#### **4. Definitions:**

- 4.1 "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- 4.2 "Board" means the Securities and Exchange Board of India.
- 4.3 "Board of Directors" means the Board of Directors of the Company.
- 4.4 "Companies Act" means The Companies Act, 2013.
- 4.5 "Company" or "the Company" means Sanco Trans Limited.
- 4.6 "Compliance Officer" means Company Secretary of the Company or any other senior level employee who shall be directed by the Board of Directors of the Company to act as such and designated as the compliance officer of the Company.
- 4.7 "Connected person" means-
  - (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with Company's 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - (ii) 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 –
    - (a) an immediate relative of connected persons specified in clause (i); or
    - (b) a holding company or associate company or subsidiary company; or
    - (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
    - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
    - (e) an official of a stock exchange or of clearing house or corporation; or

- (f) 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
- (g) 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
- (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- (i) a banker of the company; or
- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest.

4.8 "Designated persons" means:

- a) All Directors;
- b) Key Managerial Personnel (KMP"s) as per Companies Act, 2013
- c) All employees at Manager Level and above;
- d) All employees at Assistant Manager Level and above in the department of Accounts, Finance, Secretarial and EDP;
- e) Promoters/Promoter Group of the Company;
- f) Statutory Auditors, Internal Auditors, Secretarial Auditors and Tax Consultants;
- g) Other persons as designated by the Board of Directors in consultation with Compliance Officer of the Company, from time to time; and
- h) Immediate relatives of persons covered under clause (a) to (g) above.

4.9 "generally available information" means information that is accessible to the public on a non-discriminatory basis.

4.10 "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.

4.11 "insider" means any person who is-

- (i) a connected person, or
- (ii) in possession of or having access to Unpublished Price Sensitive Information

4.12 "key managerial personnel", in relation to the Company, means—

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act.

4.13 "promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

4.14 "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.

4.15 "takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

4.16 "threshold limit" means the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregating to a traded value of ten lakh rupees.

4.17 "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

4.18 "trading day" means a day on which the recognized stock exchanges are open for trading.

4.19 "trading window" means a trading period for trading in the Company's Securities as specified by the Company from time to time in Clause 9 of this Code.

4.20 "unpublished price sensitive information" means any information, relating to the 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; and
- (vi) material events in accordance with the listing agreement.

Words and expressions used and not defined in this Code but defined in the Regulations, Act, Companies Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Depositories Act, 1996 (22 of 1996) shall have the meanings respectively assigned to them in those legislations, as amended from time to time.

## **5. Functions, duties and responsibilities of the Compliance Officer**

The Compliance Officer, subject to the supervision of the Board of Directors shall be responsible for –

- (1) Setting forth policies, procedures, monitoring adherence to the Code and Regulations for the preservation of unpublished price sensitive information, approval of trading plan, pre-clearance of trades and monitoring of trades and implementation of this Code.
- (2) Maintaining the record of the Promoters, Directors, Key Managerial Personnel, Designated Persons and other connected persons and incorporate changes from time to time.
- (3) Assisting all employees in addressing any clarifications in the Regulations or this Code.
- (4) Advising all Designated Persons not to trade in securities of the Company when the Trading Window is closed.
- (5) Advising all Directors, Promoters, Key managerial personnel and Designated Persons to furnish the details of transactions in the securities of the Company as stated in clauses 10-12 in the prescribed form and to maintain a record of all the intimations received for a period of at least five years.

(6) Obtaining disclosures from Promoters, Directors, Key Managerial Personnel, Designated Persons and other connected persons and to give information, in respect of the disclosures received, to all the Stock Exchanges where the securities are listed, as applicable.

(7) Maintaining records of all disclosures as stated in clauses 10-13 of this Code.

#### **6. Communication or procurement of unpublished price sensitive information**

(1) All information is to be handled on a "need to know" basis. It should be disclosed only to those within the Company who need the information to discharge their duty.

(2) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a Company or securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(3) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

(4) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(5) Notwithstanding anything contained above, an 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 of Directors is of informed opinion that the proposed transaction is in the best interests of the Company;

(ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors 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 two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

(6) For purposes of sub-clause (5) above, the Board of Directors 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 sub-clause (5) above, and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

#### **7. Restriction on trading when in possession of unpublished price sensitive information**

(1) Save as provided in this Code and the Regulations, no insider shall trade in securities of the Company when in possession of unpublished price sensitive information.

(2) Insiders shall maintain the confidentiality of all unpublished price sensitive information. They shall, while in possession of any unpublished price sensitive information, neither trade in the securities of the Company on the basis of unpublished price sensitive information nor pass on such information to any person directly or indirectly by way of making a recommendation for trading in securities of the Company. Prevention of misuse of unpublished price sensitive information:

## **8. Trading Plans**

(1) An insider shall be entitled to formulate a 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.

(2) Such trading plan shall:–

(i) not entail commencement of trading on behalf of the insider 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 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.

(3) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek express undertakings that:

(i) the person is not in possession of unpublished price sensitive information; or

(ii) he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences his trades; or such other undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. The Compliance Officer may thereafter approve the plan.

(4) The trading plan once approved shall be irrevocable and the insider 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 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 unpublished price sensitive information becomes generally available information.

(5) Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

## **9. Trading Window**

(1) Designated persons may execute trades subject to compliance with this Code and the Regulations. Towards this end, a notional trading window shall be used as an instrument of 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.

(2) 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. and their immediate relatives, assisting or advising the Company.

(3) The notice of closure of trading window shall be intimated to the Stock Exchanges wherever the securities of the Company are listed, if required.

(4) The notice of closure of Trading Window placed in the notice board of the Company, by the Compliance Officer and notice of closure of trading window intimated to Stock Exchange, if any, shall be deemed as intimation to the Designated Persons / Insiders for adherence and compliance with this Code.

(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.

(6) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.

(7) Trading Window may be closed by the Company during such time in addition to the above period, as it may deem fit by the Compliance Officer.

#### **10. Pre-clearance of Trades**

(1) When the trading window is open, trading by Designated Persons and their immediate relatives shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above threshold limit. No Designated Person/their immediate relatives shall apply for pre-clearance of any proposed trade if they are in possession of unpublished price sensitive information even if the trading window is not closed.

(2) Designated Persons / their immediate relatives intending to deal in the securities of the Company upto the threshold limit, as defined and provided hereinbefore, may do so without any pre-clearance from the Compliance Officer. In all other cases, they should pre-clear the transactions as per the pre-dealing procedure as provided hereinafter.

(3) Designated Persons / their immediate relatives shall make an application in the prescribed Form I, to the Compliance Officer indicating the estimated number of securities that he/she intends to deal in, the details as to the depository(ies) with which he/she maintains a Demat/Trading account, the details as to the securities in such depository mode and such other details as may be required by the Compliance Officer in this matter.

(4) He / She shall execute an undertaking in favour of the Company, incorporating, therein, inter alia, the following clauses:

- that he/she does not have any access or has not received Unpublished Price Sensitive Information upto the time of signing the undertaking;
- that in case he/she has access to or receives Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes generally available;
- that he/she has not contravened any provisions of this Code and the Regulations;
- that he/she has made a full and true disclosure in the said matter.

(5) The Compliance Officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.

(6) Designated Persons / their immediate relatives shall execute their transactions in respect of securities of the Company within seven trading days after the approval of pre-clearance is given failing which the transaction has to be pre-cleared again. Reporting of trades executed or decisions not to trade and recording of such reasons shall be made/done in Form II. They shall not execute a contra trade during the six months following the prior transaction. In case of emergency the six months holding period may be waived by the Compliance Officer (application to be made in Form III) after recording in writing the reasons in this regard provided that such relaxation does not violate this Code/ Regulations.

(7) In case of the Compliance Officer intending to deal in the securities of the Company beyond the threshold limit, the pre-clearance of the Managing Director or in his absence, the Chairman of the Board, will have to be obtained. Similarly in case of emergency Compliance Officer may obtain the waiver from the Managing Director or in his absence, the Chairman of the Board, provided that such relaxation does not violate this Code/ Regulations.

(8) In case a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

## **Reporting Requirements**

### **11. Initial Disclosures**

(1) Every promoter, key managerial personnel and director of the Company shall disclose his holding of securities of the Company as on the date of this Code taking effect, to the Company within thirty days of this Code taking effect in Form A;

(2) Every person on appointment as a Director or a Key Managerial Personnel of the Company or upon becoming a Promoter shall disclose his/her 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 in Form B.

## **12. Continual Disclosures**

(1) The Promoters, Directors, Employees of the Company shall disclose to the Company in Form C unless any other Form is specified by the Board, stating 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 transactions over any calendar quarter, exceeds the threshold limits as defined herein above;

(2) The Company shall notify the particulars of such trading to the stock exchanges on which the securities are listed, as applicable, within two trading days of receipt of the disclosure or from becoming aware of such information.

(3) The disclosure of the incremental transactions after any disclosure shall be made by persons as specified in (1) above, when the transactions effected after the prior disclosure crosses the threshold specified in this clause.

Note:

Disclosures made under Clause 11 and 12 above shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.

## **13. Preservation of disclosures**

The disclosures made under these regulations shall be maintained by the Compliance Officer, for a minimum period of five years.

## **14. Penalty for non-compliance of this Code**

Any Promoter, Director, Employee or other connected person, who trades in securities or communicates any information for trading in securities in contravention of this Code, shall be penalized and appropriate action shall be taken against them by the Company after giving reasonable opportunity to them to show-cause. He/ she shall also be subject to disciplinary action, as deemed appropriate by the Board of Directors which may include wage freeze, suspension, in-eligibility for future participation in ESOPs etc. The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations

## **15. General**

The decision of the Board of Directors with regard to any or all matters relating to this Code shall be final and binding on all concerned. The Board of Directors shall have the power to modify, amend or replace this Code in part or full, as may be thought fit from time to time in their absolute discretion.