

Code for Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information and Insider Trading

The Securities and Exchange Board of India (SEBI) with an aim to guard the interest of General Investors has formulated the SEBI (Prohibition of Insider Trading) regulations, 2015 (herein after referred to as “The Regulations”)

These regulations come into force effective May 15, 2015 and were made applicable to all listed companies. It is mandatory in terms of the regulations for every listed company to adopt a code of conduct for prohibition of insider trading for its employees and other connected persons towards the compliance of the regulations.

This document manifests the code of conduct for prohibition of insider trading adopted by Salona Cotspin Limited.

Corporate Disclosure Policy

The following is the Corporate Disclosure Policy/norm to be followed by the Company to ensure timely and adequate disclosure of price sensitive information.

Prompt disclosure of price sensitive information

1. **Disclosure of Unpublished Price Sensitive Information (UPSI)** would be done promptly when credible and concrete information is available for making the same generally available;
2. The Company will endeavour to make uniform and universal dissemination of UPSI and will avoid making selective disclosure once the information is ready to be made generally available. Material events will be disseminated as mandated by the stock exchanges in clause 36 of the Listing Agreement as amended from time to time.
3. In case the Company is required to make selective disclosure of UPSI, then the information will be promptly disseminated either in the form of notification to stock exchanges, press releases or upload of information on the website of the Company.
4. UPSI handling will be on a need to know for legitimate purposes only.
5. It is desirable to consider ways of supplementing information released to stock exchanges by improving investor access to the public announcements.

Overseeing and co-ordinating disclosure

1. Managing Director is designated as the Corporate Disclosure Officer (CDO) to oversee corporate disclosures. The Joint Managing Director is designated as the Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of UPSI.

2. CIRO shall be responsible for ensuring that the company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedure.
3. Information disclosure/ dissemination shall normally be approved in advance by the CIRO.
4. If information is accidentally disclosed without prior approval, the person responsible may inform the CIRO immediately, even if the information is not considered price sensitive.

Responding to market rumours

1. Any queries or requests for verification of market rumours by exchanges should be forwarded immediately to the CIRO who shall decide on the response / clarification.
2. The CIRO shall decide whether a public announcement is necessary for verifying or denying rumours and then making the disclosure
3. The Company will, subject to non-disclosure obligations, aim to provide appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities.
4. As a general practice, if the rumour appears in a responsible media channel which has reasonably wide audience and rumour can have material impact on pricing of securities, then the Company would immediately make a proper announcement to present the correct position.

Timely Reporting of shareholdings/ ownership and changes in ownership

Disclosure of shareholdings/ ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the Listing Agreement shall be made in a timely and adequate manner.

Disclosure/ dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors

The guidelines given hereunder shall be followed while dealing with analysts and **Prompt release of Information**

The Company will make transcripts or records of the proceedings of the meetings with Analysts, Investor Relation meetings available on the website of the Company promptly.

Medium of disclosure/ dissemination

Disclosure/ dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.

CIRO shall ensure that disclosure to stock exchanges is made promptly.

Company may also facilitate disclosure through the use of their dedicated Internet website.

The information filed by the Company with exchanges under continuous disclosure requirements shall be made available on the company website.

Standards for Code of Conduct to Regulate, Monitor and Report of Trading by Insiders.

1. The compliance officer is required to report periodically the details of trading plans and details of trade transactions pursuant to the trading plans either to the Chairman of the Audit Committee or to the Chairman of the Board of Directors and further such reports shall be placed before the Board of Directors for noting and record purposes.
- 2.1 Unpublished price sensitive information, if any, shall be made available, within the Organisation, on a need to know basis only.
- 2.2 Unpublished price sensitive information, if any, shall not be communicated to any person, except for legitimate purposes, performance of duties or discharge of his legal obligations of the insider
3. The designated persons (i.e. Employees and connected persons designated on the basis of their functional role in the Organisation) are subject to internal code of conduct for dealing in Equity shares of the company and they have to strictly comply with the same. .
- 4.1 Designated persons may execute trades subject to compliance with these Regulations.
- 4.2. Use of Notional trading window for monitoring trading by the designated persons.
- 4.3 The Compliance Officer to determine and close the trading window when he reasonably expects that the designated persons to have position of unpublished price sensitive information.
- 4.4 Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.



5. 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.

If entitled such a trading plan:

- 5.1 An insider shall present a “Trading Plan” to the Compliance Officer for approval and public disclosure for carrying out trades and pursuant to which shall carry out trades as per plan.
- 5.2 The insider shall commence trading after six months from the public disclosure of the plan.
- 5.3. The insider shall not trade during the period between the twentieth trading days prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results.
- 5.4 The trading plan is not to entail trading for a period of not less than twelve months.
- 5.5 The trading plan is not to entail overlap of any period for which another trading plan is already in existence.
- 5.6 The trading plan has to set out either the value of trades to be effected or the number of shares to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected.
- 5.7 The trading plan shall not entail trading in shares for market abuse.
- 5.8 The compliance officer is authorized
 - i. to review the trading plan to assess whether the plan would violate the Regulations.
 - ii. to seek such express undertakings as may be necessary to enable such assessment and
 - iii. to approve and monitor the implementation of the plan.
- 5.9 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled either to deviate from it or to execute any trade in the shares outside the scope of the trading plan.
- 5.10 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.
- 6.1 The compliance officer to determine the timing for re-opening of the trading window, after taking into account the fact that the unpublished price sensitive information becomes generally available and assimilated by the market, after forty-eight hours of the information becomes generally available.



- 6.2 The trading window shall 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.
- 7.1 When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
- 7.2 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.
8. The compliance officer to maintain restricted list of securities for approving or rejecting pre clearance of trades.
- 9.1 Prior to approval of any trade, the applicant, is required, to file a declaration to the compliance officer that he is not in possession of any unpublished price sensitive information.
- 9.2 The compliance officer has to ensure that the declaration filed by the applicant is free from inaccuracies
10. The pre – cleared trades are to be executed within a period of 5 days. If not fresh pre-clearance needs to be obtained for execution of any trades.
- 10.1 The designated person, who is permitted to trade, shall not execute a contra trade, before expiry of 7 months of the permitted trade.
- 10.2 In exceptional circumstances, the compliance officer, grant relaxation from the above specified time limit for a contra trade, for reasons recorded in writing, without violating the Regulations.
- 10.3 The profits, arising from such contra trade, in violation of the restrictions placed, would be disgorged by SEBI for credit to the Investor Protection and Education Fund administered by it.
- 11 In order to comply with the code, the designated person shall
 - a. submit Applications for pre- clearance
 - b. report trades executed
 - c. report decisions not to trade subsequent to pre- clearance
 - d. reasons for such decisions (i.e. not to trade)
 - e. report holdings of shares - periodically



12. The violation of code of conduct would result in the sanctions and disciplinary actions, including wage freeze, suspension etc., by the Board of Directors for the contravention of the code of conduct.
13. The code of conduct shall be complied with strictly and any violation of this code shall be informed to the SEBI Board.

Approved by Board of Directors on 13th February 2017

