

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

❖ **Preamble**

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**The Regulations**').

As per Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 every listed company is required to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons and adopting the minimum standards set out in **Schedule B** of the above said regulations.

As per Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information. The Board of Directors of **Sarda Proteins Ltd.** in its meeting held on **10.08.2016** have approved and adopted this Code for regulating, monitoring and reporting of trading by insiders and to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015. All the Directors, Designated Persons, employees and other Connected Persons of **Sarda Proteins Ltd.** are governed by this Code.

❖ **Applicability:**

This Code is applicable to the following persons:

- I. **Directors** of the Company including executive, non-executive & independent;
- II. **Key managerial personnel** (KMPs);
- III. **Connected Persons;**
- IV. **Promoters;**
- V. All **employees** including temporary employees, trainees;
- VI. Any other person who in the opinion of the Board of the Company has access to or is likely to have access to unpublished price sensitive information relating to the Company; and
- VII. Such other employees as may be determined by the Company from time to time.
***Note:** For the purpose of this Code, the aforesaid persons are individually or collectively referred to as "**Designated Persons**".*

❖ **Definitions:**

- a) "**Act**" means the Securities and Exchange Board of India Act, 1992;
- b) "**Board**" shall mean the Board of Directors of **Sarda Proteins Ltd.**;
- c) "**Code**" means the Code of Conduct for regulating, monitoring and reporting of trading by insiders of **Sarda Proteins Ltd.** under the Regulations, and any modifications /amendments made thereto from time to time;
- d) "**Company**" means **Sarda Proteins Ltd.**;

- e) **"Compliance Officer"** means the Company Secretary of the Company or such any other senior officer, designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of the Company or the head of an organization for the purpose of administration of the Code of Conduct for prevention of insider trading;
and

The Compliance Officer shall maintain records of all the declaration(s) given by the Directors, Designated Persons and Connected Persons for a minimum period of **three years**.

- f) **"Connected Person"** means:

I. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its 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 the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the board 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.;

- k) **"Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent;

- l) **"Director"** means a member of the Board of Directors of the Company;

"Employee" means every employee of the Company including the Directors in the employment of the Company;

- m) **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis;
- n) **"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;
- o) **"Insider"** means any person who is:
 - I. a connected person; or
 - II. in possession of or having access to unpublished price sensitive information;
- p) **"Key Managerial personnel"** (KMP) means persons as defined under Section 2(51) of the Companies Act, 2013.
- q) **"Pre-clearance of Trade"** means prior approval for trading / dealing in the securities of the company.
- r) **Promoter** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
"Regulations" shall mean SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- s) **"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;
- t) **"Specified"** means specified by the Board in writing;
- u) **"Specified Persons"** means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relatives are collectively referred to as Specified Persons.
- v) **"Takeover Regulations"** means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- w) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- x) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- y) **"Trading Window"** means the period which is available for trading in the Company's Securities.
- z) **"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, 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.

Note: Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

❖ **Role of Compliance Officer:**

The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

❖ **Prohibition on Insider Trading**

No Insider shall communicate, provide, or allow access to any unpublished price sensitive information, to any person including other insiders:

Exceptions to the above:

- I. Where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; and
- II. Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would, after signing a non-disclosure obligation by the party or parties:
 - a) The obligation to make an open offer under the takeover regulations where the Board is of informed opinion that the proposed transaction is in the best interests of the company;
 - b) not attract the obligation to make an open offer under the takeover regulations but where the Board 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 may determine.

❖ **Preservation of "Unpublished Price Sensitive Information"**

Every Promoter(s), Director(s), Insider(s) and Connected person(s) and connected persons shall maintain the confidentiality of Unpublished Price Sensitive Information. Insider shall not pass on such information, provide, or allow access to any Unpublished Price Sensitive Information relating to the Company to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities, except in the following circumstances:-

- I. the transaction is an off-market inter-se transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach any regulation and both parties had made a conscious and informed trade decision;

- II. in the case of non-individual insider(s):-
 - a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- III. The trades were pursuant to a trading plan.
- IV. In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.
- V. Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

❖ **Trading Window Mechanism**

- Trading Window shall be closed **7 days** prior to the date of Board meeting where the Board:-
 - I. considers and approves the financial results (audited or un-audited) of the quarter/ half-year / financial year as the case may be and ending up to and including 48 hours after the information becomes generally available.
 - II. considers all matters or factors (other than financial results) which are deemed to be 'price sensitive information' and ending 48 hours after the public announcement of the decision taken by the Board at such meeting; or
 - III. such other period as may be notified by the 'Compliance Officer' from time to time, under the authority of Board.
- *Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.*
- *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.*

- *All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the Company only when the trading window is open and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed or during any other period as may be specified by the Company from time to time.*

❖ **Trading Plan**

- a) An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

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 Seventh 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; and
 - VI. Not entail trading in securities for market abuse.
- b) The trading plan has to be approved by the Compliance Officer of the Company.
 - c) The Compliance officer will endeavor to approve the trading plan within seven (7) working days of receipt of the trading plan together with necessary undertakings and declarations.
 - d) 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.
 - e) 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.

❖ **Pre-Clearance of trades**

- I. Every Promoter(s), Director(s), Insider(s) and Connected person(s) of the company who intend to trade in the securities of the company value of which exceeds **Rupees Ten lakhs, in one transaction or a series of transactions over a calendar quarter**, in any manner whatsoever, shall apply in the **Form 1** to the Compliance Officer for pre-clearance together with necessary undertakings as prescribed in **Form 2** along with a statement of holdings at the time of pre-clearance.

- II. The Compliance Officer shall grant the approval or reject the application within two working days of the receipt of application for pre-clearance.
- III. Such persons shall execute the order for which pre-clearance has been obtained within seven working days of such approval. The details of the transaction shall be communicated to the compliance officer within four working days thereof. In case, the person is unable to execute the order within seven working days after the approval, a fresh application for pre-clearance (as mentioned above) shall be made.
- IV. All Designated persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction or contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- V. In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
- VI. The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.
- VII. In the event of absence of the Compliance Officer, the Board may delegate performance of the duties and responsibilities referred to in this paragraph to any head of department of the Company.

❖ **DISCLOSURE REQUIREMENTS**

A. Initial Disclosures:

- **To the Company**

Every promoter, key managerial personnel, Officers / Designated Employees and all Designated Persons and director of the company and each of their Immediate Relatives shall disclose his/her holding of securities of the company presently held by them including the statement of holdings of dependent family members as on 15th Day of May, 2015 , to the company ***within thirty days*** of the regulations taking effect as per **Form A**;

Every person on appointment as a Key Managerial Personnel or a director of the company or upon becoming a promoter shall disclose his/her and immediate relatives 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 as per **Form B**.

B. Continual Disclosures:

- **To the Company**

Every promoter, employee and director of the company and each of their Immediate Relatives shall disclose the number of such securities acquired or disposed off by himself alongwith the dependent family members ***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, aggregates to a traded value in ***excess of ten lakh rupees*** as per **Form C**.

- **To the Stock Exchange**

The company shall notify the particulars of such above trading to the stock exchange on which the securities are listed ***within two trading days*** of

- I. The receipt of intimation of allotment of shares or
- II. The acquisition or sale of shares or voting rights, as the case may be.
- III. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

C. Disclosures by other connected persons

The Compliance Officer may, require any other connected person(s) to make disclosures of holdings and trading in securities of the company in as per **Form D** and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

❖ Penalty for contravention of Code of Conduct

Any director, officer, designated person and all connected persons of the company who trades in securities of the company or communicates any unpublished price sensitive information enabling the trading in securities of the company, in violation/contravention of this code shall be penalized of an amount as may be decided by the Board and shall also be subject to such disciplinary action as may be considered appropriate by the Board of the company.

Disciplinary action may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, withholding of promotion, etc. and also attracts the penalty specified in SEBI Act, and the Regulations thereof.

❖ Designation of a senior officer as a Chief Investor Relations Officer:

The Company designates **Mr. Damodar Prasad Sarda** as a **Chief Investor Relations Officer** to deal with dissemination of information and disclosure of unpublished price sensitive information as per the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

❖ DISCLAIMER

The Code is the internal policy of the Company to prevent Designated Persons and Connected Persons who are considered by the Company to be Insiders for the purposes of this Code and the Regulations, for prevention of insider trading. It is however the

responsibility of each Designated Person and Connected Person to ensure compliance with the provisions of this Code or the Regulations and other related laws. The Company shall not be responsible or liable for any violation or contravention by any Designated Person or Connected Person, of this Code and the Regulations or other related laws.

FORM A

**Securities and Exchange Board of India (Prohibition of Insider Trading)
Regulations, 2015
[Regulation 7 (1) (a) read with Regulation 6 (2)]**

To,
The Compliance Officer,
Name of the Company: **Sarda Proteins Ltd.**

**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director
and other such persons as mentioned in Regulation 6(2) of SEBI Regulations**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters / KMP / Directors/ immediate relatives/others etc)	Securities held as on the date of regulation coming into force		% of Share holding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name:
Signature:

Date:
Place:

FORM B

**Securities and Exchange Board of India (Prohibition of Insider Trading)
Regulations, 2015
[Regulation 7 (1) (b) read with Regulation 6(2)]**

To,
The Compliance Officer,
Name of the Company : **Sarda Proteins Ltd.**

Details of Securities held on appointment of Key Managerial Personnel or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2) of SEBI Regulations.

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP	
			Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No .		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4		5	6		7	

FORM D

**Securities and Exchange Board of India (Prohibition of Insider Trading)
Regulations, 2015**

Regulation 7(3) – Transactions by other connected persons as identified by the company

Name, Name, PAN No., CIN/DIN, & addresses of connected persons, as identified by the company with contact nos..	Connection with the company	Securities held prior to acquisition/disposal		Securities acquired/Disposal		% of shareholding		Date of allotment advice/acquisition of shares/sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed			
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy	Sell	Value	Number of units (contracts * lot size)		Value	Number of units (contracts * lot size)	

Signature:
Designation:
Date:
Place:

FORM 1

APPLICATION FOR PRE-TRADING APPROVAL

To,
The Compliance Officer,
Name of the company: **Sarda Proteins Ltd.**

Dear Sir/Ma'am,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct, I seek approval to purchase / sell / subscribe _____ equity shares of the Company as per details given below:

1.	Name of the applicant	
2.	Designation	
3.	Number of securities held as on date	
4.	Folio No. / DP ID / Client ID No.	
5.	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
6.	Proposed date of trading in securities	
7.	Estimated number of securities proposed to be purchased/subscribed/sold	
8.	Current market price (as on date of application)	
9.	Whether the proposed transaction will be through stock exchange or off-market trade	
10.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the Undertaking signed by me.

Signature: _____

Name:

Date:

FORM 2

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

To,
The Compliance Officer,
Name of the company: **Sarda Proteins Ltd.**

I, _____, _____ of the Company residing at _____, am desirous of trading in _____ shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of any unpublished price sensitive information up to the time of signing this Undertaking.

In the event that I have access to or receive any unpublished price sensitive information after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Rules/Code of Conduct as notified by the Company from time to time.

In the event of this transaction being in violation of the Rules or the applicable laws, (a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons, (b) I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction and (c) I authorize the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the trade within seven days of the receipt of approval failing which I shall seek pre-clearance afresh.

I declare that I have made full and true disclosure in the matter.

Signature: _____

Name:

Date:

Form 3

DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / trading in securities of the Company)

To,
The Compliance Officer,
Name of the company:
ISIN of the company:

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to _____ securities as mentioned below on ____
(date)

(Strike out whichever is not applicable)

Name of holder	No. of securities Traded	Bought / sold / subscribed	DP ID/Client ID/Folio No.	Price (Rs.)

I declare that the above information is correct and that no provisions of the Company's Rules and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature: _____

Name:

Date: