

SURAT TEXTILE MILLS LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for adhering to the Principles of Fair Disclosure

As required under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which stand further amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as “the Regulations”), Surat Textile Mills Limited, hereby notifies the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for adhering to the Principles of Fair Disclosure” (hereinafter referred to as “the Code”).

The Code intends to formulate a framework and policy for fair disclosure of events and occurrences that would impact price discovery in the market for the securities of the Company. To achieve this objective, the Board of Directors shall adhere to the principles of fair disclosure mentioned hereunder in letter and in spirit, to ensure fair disclosure of events and occurrence that could impact price of its securities in the market.

Definitions

“**Company**” means SURAT TEXTILE MILLS LIMITED

“**Board of Directors**” means Board of Directors of SURAT TEXTILE MILLS LIMITED

“**Compliance Officer**” means the officer appointed by the Board of Directors as per the Regulations from time to time.

“**Insider**” means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

“**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;

“**Generally Available Information**” means information that is accessible to the public on a nondiscriminatory basis;

“**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;

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

“**Unpublished Price Sensitive Information or UPSI**” means any information, relating to a Company or its securities, directly or indirectly, that is not Generally Available Information 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;

Words and Expressions not defined in this code shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Securities and Exchange Board of India Act, 1992.

Principles of Fair Disclosure for Purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

In adherence of the principles of fair disclosure under Schedule A to the SEBI (Prohibition of Insider Trading) Regulations, 2015, which stand further amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as "SEBI PIT Regulations"), the Board of Directors of the Company viz. Surat Textile Mills Limited would follow the following practice and procedure for fair disclosure of unpublished price sensitive information.

1. The Company shall make prompt public disclosure of unpublished price sensitive information is made to make it generally available, once it is discovered that credible and concrete information having the potential of effecting the price of securities of the Company exist or comes into being.
2. The Company shall make uniform and universal dissemination of unpublished price sensitive information is promptly made to avoid selective disclosures.
3. The Company Secretary is designated as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall make prompt dissemination of unpublished price sensitive information, that gets disclosed selectively, inadvertently or otherwise, is promptly disseminated to make such information generally available.
5. The Company shall provide appropriate and fair response and replies are promptly provided to queries on news reports and requests for verification of market rumours by Regulatory Authorities such as Stock Exchanges, etc.
The Company shall not comment on every market rumour. If Stock Exchange requests, the Company shall submit its response to the market rumour.
6. The Company shall ensure that information, if any, shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall develop and follow best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences, if any, on the official website to ensure official Confirmation and documentation of disclosures made.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis by creating suitable safeguards to avoid UPSI becoming available to any person who is not required to have access to such information. UPSI, may however be disclosed, to persons who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Company.
9. The Unpublished Price Sensitive information can be shared for legitimate purposes as per the "Policy for determination of Legitimate Purposes" (**Annexure A**), provided it is not shared to evade or circumvent the prohibition under this Regulation.
10. The Fair Disclosure Code is subject to review by the Board of Directors as and when deemed necessary.

ANNEXURE A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018

1 PREFACE

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2 OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

3 UNPUBLISHED PRICE SENSITIVE INFORMATION

"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 include 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.

4 COMPANY'S POLICY ON DETERMINATION OF LEGITIMATE PURPOSE

The term "Legitimate Purposes" means sharing of information by the Company, in furtherance of the Company's and stakeholders' interest, which includes Unpublished Price Sensitive Information (UPSI) with parties during the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm / team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants

12. Merchant Bankers
13. Any other advisors/consultants/partners
14. Any other person with whom UPSI is shared

5 LEGAL OBLIGATIONS:

Other than the cases as stated above, in furtherance of its legal obligations, the Company may be required to share UPSI with the Regulatory Authorities and/or Persons, in the events such as:

- a. While the Company is evaluating various corporate actions, it may have to seek informal opinion/views from the Regulators, seek such approvals or regulatory exemptions, as may necessary to consummate the corporate action;
- b. Arising out of legal obligations to report to the various authorities under applicable laws or otherwise
- c. Arising out of legal obligations to undertake compliance of the provisions of law such as Companies Act, 2013, Accounting Standards, Competition Act, etc;
- d. In order to protect the vital interest of the Company during litigation.

The Company while submitting the aforesaid information to the Regulators, although will claim confidentiality over the UPSI shared, however, it would not have visibility nor control over any further dissemination of information by such Regulators.

6 DISSEMINATION OF UPSI AND DISCLOSURE OF THE CODE IN PUBLIC DOMAIN

The Compliance Officer of the Company shall be the Officer to deal with dissemination of information and disclosure of UPSI.

The Code shall be published on the official website of the Company.

Further, this Code and every subsequent amendment made thereto, shall be promptly intimated to the stock exchange where the securities are listed.

The Company is committed to prompt and fair disclosure of UPSI to all the stakeholders, however in the event there is an accidental or inadvertent disclosure of UPSI by the officers of the Company, the Compliance Office shall forthwith generally make available the said information.

Annexure A incorporated pursuant to SEBI (Prohibition of Insider Trading) Amendment, Regulations, 2018 shall come into effect from 1st April, 2019)

7 POWER OF BOARD OF DIRECTORS

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any applicable law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

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