CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SHARES OF SURANA INDUSTRIES LTD

Compliance: Annual
Date of Board Meeting: February 12, 2014

This Code shall come into force from 12th February 2014 and supersedes any previous code implemented by the Company.

Applicability and the Purpose of the Code:

This self-regulated Code is applicable to all employees of the Company (Surana Industries Limited i.e. SIL) and its present and future subsidiary companies to maintain the ethical standards of dealing in shares of the Company. The provisions of the Code are designed to prohibit Directors, Employees, Designated Employees and their Dependent Family Members from trading in the SIL Securities when in possession of Unpublished Price Sensitive Information.

1. Compliance Officer

1.1 Mr. V. Aranganatha, Director (Finance & Accounts) shall be the Compliance Officer of Surana Industries Limited (herein after referred to as “the Company”) who shall report to Mr. Dineshchand Surana, Managing Director of the Company.

1.2 The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, pre-clearing of designated employees’ and their dependents’ trades (directly or through respective department heads as decided by the Company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of Directors of the Company.

- Explanation: designated employee shall include: -
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- Directors of the Company (including directors of Subsidiaries);
- All officers in Grades of Associate Vice President/GM level (and equivalent and above);
- Executive Assistants of the Directors;
- All employees in the Accounts, Finance, Tax, MIS, and the Secretarial Department;
- Secretaries of the Designated Employees;
- Permanent invitees to the meetings of the Board of Directors of the Company and such other Committees as may be constituted from time to time and specified for the purposes of this Code;
- Such other persons as may be notified by the Compliance Officer from time to time.

For the purpose of this clause, the Company shall include SIL and all its subsidiaries.

1.3 The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

1.4 The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct.

2. **Preservation of “Price Sensitive Information”**

2.1 Employees/Directors shall maintain the confidentiality of all Price Sensitive Information. Employees/Directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

2.2 Need to know

2.2.1 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.
2.3 Limited access to confidential information

2.3.1 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.

3.0 Prevention of misuse of “Price Sensitive Information”

3.1 All Directors/ Officers and designated employees of the Company shall be subject to trading restrictions as enumerated below:-

3.2 Trading window

3.2.1 The Company shall specify a trading period, to be called "Trading Window", for trading in the company’s securities. The trading window shall be closed during the time the information referred to in para 3.2.3 is un-published.

3.2.2 When the trading window is closed, the Designated Employees / Directors shall not trade in the Company's Securities in such period.

3.2.3 The trading window shall be, inter alia, closed at the time of:-

(a) Declaration of Financial results (quarterly, half-yearly & annual)

(b) Declaration of dividends (interim and final)

(c) Issue of securities by way of public/ rights/bonus etc.

(d) Any major expansion plans or execution of new projects

(e) Amalgamation, mergers, takeovers and buy-back

(f) Disposal of whole or substantially whole of the undertaking
(g) Any changes in policies, plans or operations of the company

The trading window may be closed for any other purpose if the company/Compliance officer is of the opinion that the information is price sensitive information.

3.2.3A The Trading Window shall remain closed from the day, the intimation of the Board Meeting to be convened for transacting the matters listed in para 3.2.3 above, is given by the Company to the Stock Exchanges or such other time period as shall be decided by the Compliance officer and communicated thereof.

3.2.4 The trading window shall be opened 24 hours after the information referred to in para 3.2.3 is made public/communicated to stock exchanges.

3.2.5 All Directors/ Officers/ designated employees of the Company shall conduct all their dealings in the securities of the Company only in a valid trading window 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, as referred to in para 3.2.3 or during any other period as may be specified by the Company from time to time.

3.2.6 As regards any special projects not referred to above, the Managing Director/ Chief Executive Officer/Board/Committee of the Board, shall designate well before initiation of such activity/project, form a core team of Designated Employees who would work on such assignment. Such team members will execute an undertaking not to deal in the Securities of the Company till the Price Sensitive Information regarding the activity/project is made public and the Trading window shall be regarded as closed.

4. **Pre-clearance of trades**

4.1 All Directors/Officers/designated employees of the Company who intend to deal in the securities of the Company where the aggregate of the SIL Securities to be acquired/sold / dealt in during a
calendar month exceed 1,000 in number or where the market value of the SIL Securities to be acquired/sold/dealt in a calendar month exceeds Rs. 1,00,000 (Rupees One Lakh) or 1% of total shareholding or voting rights, whichever is lower, shall pre-clear the transactions as per the pre-dealing procedure as described hereunder.

4.2 An application may be made in such form as the company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the designated employee/Officer/Director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

4.3 An undertaking shall be executed in favor of the company by such designated employee / Director / Officer incorporating, inter alia, the following clauses, as may be applicable:

(a) That the employee/director/officer does not have any access or has not received “Price Sensitive Information” upto the time of signing the undertaking.

(b) That in case the employee/Director/Officer has access to or receives “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 position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.

(c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.

(d) That he / she has made a full and true disclosure in the matter
5. **Other restrictions**

5.1 All Directors/Officers/designated employees shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given the employee/Director must pre clear the transaction again.

5.2 All Directors/Officers/designated employees shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes.

5.3 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard.

5.4 All Directors/Officers/designated employees are prevented from forward dealings in securities of the Company in accordance with Section 194 of the Companies Act, 2013 or such other legislation as may be in force.

6. **Reporting Requirements for transactions in securities**

6.1 All directors/officers/designated employees of the listed company shall be required to forward following details of their Securities transactions including the statement of dependent family members (as defined by the company) to the Compliance officer:

(a) all holdings in securities of that company by directors/officers/designated employees at the time of joining the company;

(b) periodic statement of any transactions in securities (the periodicity of reporting may be defined by the company. The company may also be free to decide whether reporting is required for trades where pre-clearance is also required); and
6.2 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 three years.

6.3 The Compliance officer shall place before the Managing Director of the Company, on a monthly basis all the details of the dealing in the securities by employees / Director / Officer of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

7. **Penalty for contravention of code of conduct**

7.1 Any employee/ Officer / Director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the company.

7.2 Employees / Officers / Directors of the Company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, etc.

7.3 The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.

7.4 Company may impose penalty as specified under the Companies Act 2013, or SEBI (Prohibition of Insider Trading) Regulations, 1992 or such other legislation as may be inforce.

8. **Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.**

8.1 In case it is observed by the Company / Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the company.
8.2 Nothing in this code shall preclude the right of the Company, if any, to take action/impose penalty/
refer the transaction to appropriate authority as required under Companies Act 2013/SEBI
(Prohibition of Insider Trading) Regulations, 1992 or such other legislation as may be inforce from
time to time.

By Order of the Board

-SD-
Dineschand Surana
Managing Director

-SD-
V. Aranganathan
Director(F&A)