



The Sandur Manganese & Iron Ores Limited

“Satyalaya”, Door No.266 (Old No.80), Behind Taluka Office
Ward No.1, Palace Road, Sandur - 583 119, Ballari District, Karnataka

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

1.0 PREAMBLE

1.1

The Securities and Exchange Board of India had promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “Regulations”) on 15 January 2015. As per Regulation 8 read with Schedule B of the Regulations, every listed company is required to frame a Code of Conduct to Regulate, Monitor and Report Trading by Employees and Connected Persons. Accordingly, the following Code was adopted by the Board of Directors of The Sandur Manganese & Iron Ores Limited (the Company), at its meeting held on 11 July 2015.

In view of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 effective from 1 April 2019, the Code has been revised by the Board of Directors at its meeting held on 8 March 2019.

The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons replacing the earlier Code has been adopted by the Board of Directors of the Company, at its meeting held on 8 March 2019. The purpose of the Code is to maintain an ethical and transparent process while dealing in the Securities of the Company by designated persons and their immediate relatives.

The revised Code shall be effective from 1 April 2019.

2.0 DEFINITIONS*

*(*Refer Appendix for elaborate definitions under respective legislations)*

2.1

‘**Board**’ means Board of Directors of the Company.

2.2.

‘**Directors**’ means Directors of the Company.

2.3

‘**Company**’ means The Sandur Manganese and Iron Ores Limited.

2.4

‘**Compliance Officer**’ means compliance officer as defined by Regulation 2(1)(c) of the Securities and Exchange board of India (Prohibition of Insider Trading) Regulations, 2015 or any amendments to the said provisions, as may be notified from time to time.

2.5

‘**Connected Persons**’ means connected persons as defined in Regulation 2(1)(d) of the Securities and Exchange board of India (Prohibition of Insider Trading) Regulations, 2015 or any amendments to the said provisions, as may be notified from time to time.

2.6

‘**Designated Person**’ shall mean:

- (i) Promoters of the Company;
- (ii) Directors of the Company or its holding company or its material subsidiary(ies);
- (iii) Key Managerial Personnel of the Company or its holding company or its material subsidiary(ies);
- (iv) Functional heads of the Company or its holding company or its material subsidiaries in the grades of Senior General Manager and above

- (v) Employees in the grade of Senior General Manager and above;
 - (vi) Employees in the Accounts, Secretarial, and Corporate Finance Departments irrespective of their role or designation.
 - (vii) Advisors to the Managing Director
 - (viii) Executive secretaries / assistants of Directors and Key Managerial Personnel;
 - (ix) Employees of Audit Firms or Auditors associated with the Company;
 - (x) (***)¹; and
 - (xi) Such other persons who may be designated as such from time to time, by the Board of Directors or by the Compliance Officer in consultation with the Chairman and Managing Director, for the purpose of this Code.
- 2.7 **‘Generally available information’** means information that is accessible to the public on a non-discriminatory basis
- 2.8 **‘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.
- 2.9 **‘Insider’** means any person who is-
- (i) A connected person, or
 - (ii) Anyone in possession of or having access to Unpublished Price Sensitive Information
- 2.10 **‘Key Managerial Personnel (KMP)’** means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 or any amendments to the said provisions, as may be notified from time to time.
- 2.11 **‘Promoter’** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 or any modification thereof
- 2.12 **‘Regulations’** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the amendments thereto;
- 2.13 **‘Securities’** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.
- 2.14 **‘Takeover Regulations’** means the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) regulations, 2011 and any amendments thereto;
- 2.15 **‘Trading Day’** means a day on which the recognized stock exchanges are open for trading.
- 2.16 **‘Unpublished price sensitive information’ (UPSI)** 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; and
 - (v) changes in key managerial personnel.

¹ Omitted vide approval of Board of Directors accorded on September 02, 2020

- 2.17 All terms used in this Code but not defined hereinabove shall have the meanings prescribed to them under but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under.

3.0 COMPLIANCE OFFICER

- 3.1 The Company Secretary of the Company shall be designated as a compliance officer, who shall administer the code of conduct and other requirements under these regulations.
- 3.2 The Compliance Officer shall report to the Board and in particular provide reports to the Chairman of the Board/ Audit Committee, at least once in a financial year, enabling periodic review to evaluate effectiveness of internal controls set in place to ensure compliance the requirements given in the regulations.

4.0 RESTRICTIONS ON COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 4.1 Save as provided in the Regulations, no insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information (UPSI), relating to the Company or securities listed or proposed to be listed to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.2 No person shall procure from or cause the communication by any insider of UPSI, 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.

5.0 RESTRICTION ON TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 5.1 Save as provided in the Regulations, no Insider shall Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

6.0 PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

6.1 *Trading Window*

- 6.1.1 Designated persons may execute trades subject to compliance with these 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.
- 6.1.2 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.

6.2 *Pre-Clearance of Trades*

- 6.2.1 When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer. An application for pre-clearance of Trade shall be made to the Compliance Officer in the format prescribed for this purpose.

- 6.2.2 Such pre-trading approval would be necessary, only if the cumulative trading (including trading in derivatives of Securities, if permitted by law) whether in one transaction or a series of transactions in any financial year exceeds Rs.1 lakh (market value).
- 6.2.3 Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 6.2.4 All the Designated Persons shall ensure that they / their Immediate Relatives complete execution of every pre-cleared deal in the Company's Securities as prescribed above no later than 7 (seven) Trading Days from the date of the approval. If a deal is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person / Immediate Relatives shall apply once again to the Compliance Officer for pre-clearance of the transaction

6.3 *Prohibition of Contra Trade*

- 6.3.1 Save as provided in the Regulations, a Designated Person who is permitted to Trade shall not execute a contra trade during the next 6 months following the execution of last Trade.
- 6.3.2 The compliance officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

6.4 *Trading Plan*

- 6.4.1 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.
- 6.4.2 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 such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 6.4.3 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

- 6.4.4 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

7.0 PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 7.1 Access to Unpublished Price Sensitive information shall be on a "need-to-know" basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, in the course of performance of his duties or in discharge of his legal obligations.

- 7.2 Files containing Unpublished Price Sensitive Information shall be kept secure. Computer files shall have adequate security of login and passwords, etc.
- 7.3 Print version of files containing Unpublished Price Sensitive Information shall be stamped with words 'Confidential' and kept securely under lock and key.
- 7.4 To prevent the misuse of UPSI, the Company adopts the "Chinese Wall" policy which separates those areas of the Company which routinely have access to UPSI, considered "inside areas" from those departments which deal with sale/ marketing or other departments providing support services, considered "public areas".
- 7.5 As per the said policy –
- (i) The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
 - (ii) The Employees in inside area may be physically separated from the Employees in public area.
 - (iii) The Employees within the inside area of the Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Employees may report known or suspected breaches of the Chinese Wall in accordance with the Company's whistle-blower policy.
 - (iv) Only in exceptional circumstances, persons from the public areas may be permitted to 'cross the wall' are brought 'over the wall' and provided UPSI on "need to know" basis under intimation to the Compliance Officer. In such cases, the Compliance Officer shall ensure that all necessary restrictions are imposed on such persons in relation to protection of such Unpublished Price Sensitive Information.
 - (v) Persons with whom UPSI is shared on "need to know" basis should be made aware of the duties and responsibilities attached to the receipt of inside information and the liability that attaches to misuse or unwarranted use of such information.

8.0 INQUIRY IN CASE OF LEAK/ SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 8.1 Employees of the Company shall report report known or suspected leak of UPSI in accordance with the Company's whistle-blower policy in the following manner:
- (i) Complaints/Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company.
 - (ii) Complaints/Disclosures concerning personnel belonging to levels of Senior General Manager and above should be addressed to the Chairman of the Audit Committee of the Company.
 - (iii) Complaints/Disclosures concerning other employees should be addressed to the Company Secretary of the Company.
- 8.2 The Compliance Officer or the Whistle Officer appointed by the Audit Committee shall initiate initial inquiries on becoming aware of the leak or suspected leak of UPSI and inform the Securities and Exchange Board of India promptly of such leaks, inquiries and results of such inquiries.

9.0 [PROTECTION AGAINST RETALIATION AND VICTIMISATION

- 9.1 Retaliation against an employee for filing Voluntary Information Disclosure Form with SEBI relating to an alleged violation of insider trading laws is strictly prohibited. The Board of Directors shall ensure suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination by the Company,

irrespective of whether the information is considered or rejected by SEBI or the employee is eligible for a Reward under the Regulations.]²

9.0 DISCLOSURES

9.1 *Initial Disclosures*

9.1.1 Every person appointed as key managerial personnel or a director of the company or upon becoming a promoter shall make initial disclosures to the Company providing details of holding of securities of the company within the stipulated time frame and in formats specified in the SEBI Regulations.

9.2 *Continual Disclosures*

9.2.1 Every promoter, designated employee and director of every company shall disclose to the company 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, aggregates to a traded value in excess of ten lakh rupees, in formats specified in the SEBI Regulations

9.2.2 Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

9.3 *Disclosures by other connected persons*

9.3.1 The Company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in the format prescribed for the purpose and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

9.4 *Annual Disclosure*

9.4.1 Designated Persons shall furnish to the Compliance Officer Annual statement of all their holdings in Securities of the Company to be submitted within 30 days of the close of each financial year in the format prescribed for this purpose.

9.4.2 The disclosures made shall be maintained by the company, for a minimum period of five years, in such form as may be specified.

10 PENALTY FOR CONTRAVENTION

10.1 Every Designated Person or Insider shall be responsible and comply with this Code of Conduct.

10.2 Without prejudice to the power of the SEBI under the Act and penal action taken by SEBI, in case of contravention of the Code by a designated person or insider, the Company shall proceed with sanctions and/or disciplinary actions including wage freeze, suspension, termination, recovery, (***)³ etc. [Any amount collected under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.]⁴

10.3 [In case of any violation of the Regulations, the Compliance Officer shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the SEBI from time to time.]⁵

² Inserted vide approval of the Board of Directors accorded on September 02, 2020

³ Omitted "Clawback" vide approval of the Board of Directors accorded on September 02, 2020

⁴ Inserted vide approval of the Board of Directors accorded on September 02, 2020

⁵ Inserted vide approval of the Board of Directors accorded on September 02, 2020

11 REVIEW

- 11.1 This Code of Conduct is framed based on the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereof, notified to date.
- 11.2 In case of any subsequent changes in the regulations which makes any of the provisions in the policy inconsistent with the regulations, then the provisions of the regulations would prevail over this Code of Conduct and the Code of Conduct would be modified in due course to make it consistent with law.

DEFINITIONS

1 Key Managerial Personnel (KMP):

Regulation 2(1)(o) of the SEBI (LODR) Regulations, 2015:

“key managerial personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

Section 2(51) of the Companies Act, 2013:

“Key Managerial Personnel (KMP)” 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;

v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and such other officer as may be prescribed

2 Compliance Officer:

Regulation 2(1)(c) of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with amended provisions notified by SEBI(PIT)(Amendment) Regulations, 2018

compliance officer” means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, 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 directors of the listed company or the head of an organization, as the case may be;

Explanation–For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

3 Connected Person:

Regulation 2(1)(c) of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with amended provisions notified by SEBI(PIT)(Amendment) Regulations, 2018

"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 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 recognised 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. Promoter:

Regulation 2(1)(oo) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

“promoter” shall include a person:

- (i) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; or
- (ii) who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise; or
- (iii) in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act:

Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity;

Provided further that a financial institution, scheduled commercial bank, foreign portfolio investor other than Category III foreign portfolio investor, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be a promoter merely by virtue of the fact that twenty per cent. or more of the equity share capital of the issuer is held by such person unless such person satisfy other requirements prescribed under these regulations;
