

SHRIRAM PISTONS & RINGS LIMITED: DELHI

CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADES BY DIRECTORS, DESIGNATED PERSONS AND IMMEDIATE RELATIVE UNDER THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

1. Introduction

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, requires our company to frame a Code of Conduct for prevention of insider trading by Promoters/ Members of Promoter Group/ Directors/ KMPs/ Designated Persons and their immediate relatives, in relation to the shares of the Company.

2. Scope & Applicability

This Code is applicable to all the Directors, Designated Persons & Insiders.

Every Insider must review this code. Questions regarding this Code should be directed to the Compliance Officer.

3. Definitions

- A. 'Company'** means Shriram Pistons & Rings Limited (SPRL)
- B. 'SPRL Code/the Code/this Code'** means the Shriram Pistons & Rings Limited - Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their immediate relatives;
- C. 'Board'** means the Board of Directors of the Company or any Committee constituted by the Board for the purpose of SPRL Code;
- D. 'Chairman'** shall mean the Chairman of the Board;
- E. 'Compliance Officer'** shall mean such senior officer so designated by the Board, 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adherence to the SPRL Code and any other guidelines or framework issued by the Company for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the SPRL Code under the overall supervision of the Board , as the case may be; Company Secretary of the Company shall be the Compliance Officer of the Company.

F. 'Connected Person'

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.

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; or
- (b) a holding company or associate company or subsidiary company; or
- (c) stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser; 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.
Such other employees, as may be determined by CEO & Managing Director in consultation with the Board from time to time.

G. 'Designated Person' shall include:

- (i) All Promoters and members of promoter group, Directors, Key Managerial Personnel and Employees upto two levels below the Managing Director & Chief Executive Officer of the Company;
- (ii) All functional / departmental heads of the Company;
- (iii) Employees of the Finance & Accounts, Information Technology (IT), Internal Audit and Secretarial Departments working at Corporate Office of the Company who have access to UPSI time to time;
- (iv) Personal Secretaries/ Executive Assistants of the Director(s) and Promoters, to the extent they are employees of the Company;
- (v) Employees of material subsidiaries designated by the Board of Directors on the basis of their functional roles or access to UPSI
- (vi) Such other persons as may be notified by the Compliance Officer from time to time on the basis of their functional role in the Company and having due regards to the access that such role and function would provide to UPSI.

- H. Generally Available Information** means information that is accessible to the public on a non-discriminatory basis.
- I. Immediate Relative** of Connected and Designated persons means his/ her spouse, parent(s), sibling(s), and child of such person, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- J. Insider** means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- K. Material Financial Relationship** means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.
- L. 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:**
- financial results;
 - dividends;
 - change in capital structure;
 - mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - changes in Key Managerial Personnel (KMP);
- M. 'Regulations'** mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereof.
- N. 'Securities'** include not only shares but also includes scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of the Company or other body corporate, derivative and such other instruments as defined under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

4. Communication or procurement of unpublished price sensitive information

- 4.1** All insiders shall maintain the confidentiality of all Price Sensitive Information and shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of shares.

Price Sensitive Information shall be handled on a "need to know" basis, i.e., Price Sensitive Information shall be disclosed in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

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

- 4.2** No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed/ proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.3** An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
- (i)** entail an obligation to make an open offer under the takeover regulations where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company;
 - (ii)** not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the Company is of informed opinion that sharing of such information 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 of directors may determine to be adequate and fair to cover all relevant and material facts.
- 4.4** For purposes of sub-clause (3) above, the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for sub-regulation (3), and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

5. Trading when in possession of unpublished price-sensitive information

No insider shall trade in securities that are listed/ proposed to be listed on a stock exchange when in possession of unpublished price-sensitive information.

6. Trading Plans

- 6.1** 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.
- 6.2** 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 twentieth 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
- (vi) Not entail trading in securities for market abuse.

6.3 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 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.

7. Disclosures by certain persons

7.1 Initial Disclosures

- (a) Every promoter, member of promoter group, key managerial person and director of the Company shall disclose his/ her holdings of securities of the Company within thirty days of approval of this code as per format given in **Annexure-I**.
- (b) Every person on appointment as a key managerial person or a director of the Company or upon becoming a promoter or member of promoter group shall disclose his 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 format given in **Annexure-II**.

7.2 Continual Disclosures

- (a) Every promoter, member of promoter group, designated person and director of the 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 (Rs. 10,00,000/-) or such other value as may be specified;

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship
- c) Contact details which are used by them

- (b)** Every Promoter, member of promoter group, Director and Designated Person of the Company shall give annual disclosure of details pertaining to themselves, their immediate relatives and of persons with whom they share material financial relationship as on 31st March every year and as and when there is any change in the information provided. The disclosure shall be made within 30 days from the date of closure of each financial year/ change in information, as per the format given in **Annexure-II**.

8. Trading Restrictions and Trading Window

8.1 Trading Restrictions

All Designated Persons and their immediate relatives shall be subject to trading restrictions as enumerated in this clause.

8.2 Trading window

- 8.2.1** All Designated Persons and their immediate relatives shall conduct all their trading in the securities of the Company only during 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 clause 7.2.2 or during any other period as may be specified by the Company from time to time.

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

- a)** From 1st April up to forty-eight hours after communication of the annual and fourth quarter financial results to the Stock Exchange.
- b)** From 1st July up to forty-eight hours after communication of the first quarter financial results to the Stock Exchange.
- c)** From 1st October up to forty-eight hours after communication of the second quarter and half-yearly financial results to the Stock Exchange.
- d)** From 1st January up to forty-eight hours after communication of the third quarter financial results to the Stock Exchange.
- e)** From the date of circulation of agenda for the meeting of Board of Directors till 48 hrs. of conclusion of such meeting in which any material, price sensitive

unpublished event, including the following, are proposed. The closure of the Trading Window for these events will be advised by the Compliance Officer:

- Declaration of dividends (interim and final)
- Issue of securities by way of public/ rights/bonus etc.
- Any change in capital structure
- Mergers, demergers, acquisitions, delisting, disposals and expansion of business and such other transactions
- Changes in key managerial personnel

8.3 Pre-clearance of trades

8.3.1 All Designated Persons and their immediate relatives who intend to trade in the securities of the Company (above a minimum threshold limit of **25,000 shares** whether in one transaction or a series of transactions over any calendar month) should pre-clear the transactions as per the pre-clearance procedure as described hereunder:

- (i)** Trading by Designated Persons and/ or their immediate relatives shall be done only when the trading window is open.
- (ii)** An application shall be made in the prescribed form given in **Annexure- III** to the Compliance officer.
- (iii)** An undertaking shall be executed in favour of the Company by the concerned Designated Persons and/or their immediate relatives in the prescribed form given in **Annexure- IV**.
- (iv)** Purchase/ Sale transactions for which prior clearance has been obtained by the Designated Persons and/or their immediate relatives shall be executed **within 7 days** of such clearance failing which fresh approval will be required to be taken as specified above.

Provided That pre-clearance of trades shall not be required for a trade executed as per approved trading plan.

Provided Further That trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

8.3.2 The concerned Designated Person shall intimate to the Compliance Officer in the prescribed form given in **Annexure-V**, of his or his immediate relative(s)' decision of not trading in the securities of the Company after securing pre-clearance. Such intimation shall be given within two trading days after the expiry of seven trading days after the approval of pre-clearance is given.

9. Other restrictions

All Designated persons and their immediate relatives who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any

number of shares **within six months** following a prior transaction, except in case of trading pursuant to exercising stock options, if any.

In case the sale of shares is necessitated by Designated Persons and/or their immediate relatives due to some personal emergency, the holding period may be waived by the Compliance Officer, after recording in writing his/her reasons in this regard.

10. Penalty for contravention of code of conduct

- i)** Any insider who trades in shares or communicates any information for trading in shares in contravention of the code of conduct may be penalized and appropriate action may be taken by the company.
- ii)** Connected Persons 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, recovery, clawback etc.
- iii)** The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- iv)** In case it is observed by the company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, it shall be informed by the company to SEBI promptly.

11. Duties of Compliance Officer:

The Compliance Officer shall be responsible for:

- a)** Setting forth policies in consultation with the Board of Directors
- b)** Prescribing procedures for various activities referred to in the Code,
- c)** Monitor adherence to the rules for the preservation of "Price Sensitive Information"
- d)** Grant of pre-dealing approvals to the Designated persons and their immediate relatives for dealing in the Company's shares and monitoring of such dealings
- e)** Implementation of this code under the overall supervision of the Board of Directors
- f)** Maintenance of record of the Connected persons and their immediate relatives and changes thereto from time to time
- g)** Maintaining records of all the declarations given by the Insiders for a minimum period of five years

- h)** Placing status report before the Board of Directors and Audit Committee, of all the details of the dealing in the shares by Connected Persons of the company, if any, on a quarterly basis
- i)** Assisting all employees in addressing any clarifications regarding the regulation and this code
- j)** Upon approval of the trading plan submitted by an insider, the Compliance Officer shall notify the plan of the Stock Exchange on which the securities are listed

12. Duty of Managing Director/CEO:

The Managing Director/CEO shall be introducing effective system of internal controls to ensure the compliance with these Regulations.

13. Duties of Board of Directors:

The Board of Directors shall be responsible for:

- a)** Ensuring that CEO/ MD has complied with the requirement of formation and implementation of Code of Conduct Setting forth policies in consultation with the Board of Directors
- b)** Approving the policies and procedures for inquiry in case of leak/ suspected leak of UPSI and accordingly initiate appropriate inquiries on becoming aware of leak/ suspected leak of UPSI and informing SEBI promptly about such leaks, enquiries and results
- c)** Approval of Whistle Blower Policy to enable employees to report instances of leak of UPSI
- d)** determining the list of Designated Persons as per PIT Regulations in consultation with Compliance officer
- e)** Maintaining structured digital database of the persons with whom UPSI is shared with their name along with their PAN or any other identifier authorized by law. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

14. Duty of Audit Committee:

The Audit Committee shall be responsible to review compliance with the provisions of SEBI (PIT) Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

ANNEXURE-I

FORMAT FOR DISCLOSURE OF PARTICULARS OF SHAREHOLDINGS BY PROMOTERS, MEMBERS OF PROMOTER GROUP, KEY MANAGERIAL PERSONNEL AND DIRECTORS

Date: _____

Internal Use

Record Date and Time

Sign:

To
The Company Secretary/ Compliance Officer,
Shriram Pistons & Rings Limited
3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi-110001

Sir,
My personal details are as under:

Name of Concerned Person:	_____
Designation:	_____
Department:	_____
Date of Appointment:	_____

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare:

1. that I have the following immediate relative(s):

S. No.	Name of the immediate relative(s)	Relationship with Concerned Person

2. that I / my immediate relative(s) :

- do not hold any Shares as on date
- hold ____ no. of Share as per the details given below:

Name of the Shareholder	Name of the Joint holder(s)	Folio No. (physical form)	Holding (No. of Shares)	DP ID/CLIENT ID (electronic form)	Holding (No. of Shares)

3. Details of transactions during the year are as under:

Date	Nature of Transaction (Sale/Purchase)	No. of Shares transacted

4. I shall inform the changes in the above details from time-to-time.

5. The above details are true, correct and complete in all respects.

Signature:

Name:

Annexure II

FORMAT FOR DISCLOSURE BY DESIGNATED PERSONS

Date: _____

Internal Use
Record Date and Time
Sign:

To
The Company Secretary/ Compliance Officer,
Shriram Pistons & Rings Limited
3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi-110001

Sir,

My personal details are as under:

Name of Concerned Person:	
Department:	
Designation:	
Names of educational institution(s) from which designated persons have studied – starting from Graduation (one time basis)	
Names of their past employers since beginning (one time basis)	
Particulars for Y.E./ Date of change in particulars:	

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare:

- That I have the following immediate relative(s) and persons with whom I share a material financial relationship:

S. No.	Name of the immediate relative(s)/Person with whom designated person(s) shares a material financial relationship	Relationship	PAN/Any other Identifier	Phone Number

- that I / my immediate relative(s):

- do not hold any Shares as on date
- hold ___no. of Share as per the details given below:

Name of the Shareholder	Name of the Joint holder(s)	Folio No. (physical form)	Holding (No. of Shares)	DP ID/CLIENT ID (electronic form)	Holding (No. of Shares)

- Details of transactions during the year are as under:

Date	Nature of Transaction (Sale/Purchase)	No. of Shares transacted

- I shall inform the changes in the above details from time-to-time.
- The above details are true, correct and complete in all respects.

Signature:

Name:

ANNEXURE – III

APPLICATION FOR APPROVAL OF PRIOR CLEARANCE

Date: _____

Internal Use
Record Date and Time
Sign:

To
The Company Secretary/ Compliance Officer,
Shriram Pistons & Rings Limited
3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi-110001

Dear Sir,

SUB: APPLICATION FOR APPROVAL OF PRIOR CLEARANCE IN DEALING WITH THE SHARES OF THE COMPANY

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval for purchase/ sale/subscription of the _____ Shares of the Company as per the details given below:

Name: _____

DESIGNATION: _____

DEPARTMENT: _____

LOCATION: _____

Nature of transaction : (Buy/ sell/ subscribe)	*Name of Proposed Buyer/ Seller	No. of Shares	**Date of Purchase/ allotment	***Previous approval no. and date for purchase/ allotment)	DP/BEN ID of the account / folio no. where the shares will be credited/ debited	No. of Shares held in such Account/ Folio No.
					DP ID _____ BEN ID _____ FOLIO NO _____	
<p>* applicable for off market transaction. ** applicable only if the application is in respect of sale of shares of Shriram Pistons and Rings Limited. *** applicable only if the application is in respect of sale of Shares for which an earlier purchase sanction was granted by the Compliance Officer.</p>						

I enclose herewith the form of Undertaking duly signed by me.

Yours faithfully,

(Signature of Designated Person)

Designation _____

Note: This application has to be necessarily submitted either by hand or through electronic mail at the dedicated e-mail id pankaj.gupta@shrirampistons.com and followed by a hard copy.

ANNEXURE-IV

UNDERTAKING (TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-DEALING)

Date _____

To

The Compliance Officer,
Shriram Pistons & Rings Limited,
3rd Floor, Himalaya House
23, Kasturba Gandhi Marg,
New Delhi-110001

I, _____ S/D/W/o _____, resident of _____,
_____ hereby declare that I am a/an Director/ KMP/
Employee of M/s. Shriram Pistons & Rings Limited.

I further declare that:

1. I am not in possession of or otherwise privy to any unpublished Price Sensitive Information up to the time of signing this Undertaking.
2. In case, I have access to or receive any price sensitive information after signing this Undertaking but before execution of the transaction, I shall inform the Compliance Officer and I would completely refrain from dealing in the Shares of the Company till the time such Price Sensitive Information becomes public.
3. I declare that I have not contravened the Code as notified by the Company from time to time.
4. I am aware and I shall be liable to face penal consequences including disciplinary action as set forth in the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.
5. I hereby agree to indemnify and keep the Company, its Directors & Compliance Officer indemnified from and against any and/or all penalties/fines that may be imposed on them by the Securities and Exchange Board of India and/or any other statutory authorities as a result of violation by me of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code prescribed by the Company.
6. I declare that I have made full and true disclosure in the matter.

(Signature of Designated Person)

Name : _____

Designation : _____

Department: _____

Location: _____

ANNEXURE-V

FORM FOR DISCLOSURE OF REASONS FOR NOT TRADING IN COMPANY'S SECURITIES AFTER OBTAINING PRE-CLEARANCE

Date: _____

To
The Company Secretary/ Compliance Officer,
Shriram Pistons & Rings Limited
3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi-110001

Dear Sir,

I _____ (name of the person), _____ (designation), _____ (name of the department) would like to state the reasons for not trading in Company's securities after obtaining pre-clearance with details as under:

No. of shares held by me/ my immediate relative	Date of obtaining pre- clearance	Reasons for not dealing in shares
Before trading:		
After trading:		

For your information/ perusal.

Thanking You,

Yours faithfully

(Name of the Designated person)