

July 11, 2020

To,
The Manager
Dept. of Corporate Services
BSE Ltd.
25th Floor, P.J. Towers, Dalal Street,
Mumbai - 400001

BSE Script Code: 542862

Sub.: Intimation regarding amending "Code of Practices and Procedures For Fair Disclosure of Unpublished Price Sensitive information for adhering to the Principles of Fair Disclosure" AND "Code of Conduct For Regulating, Monitoring And Reporting of Trading By Designated Persons" (the "Code") pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

Dear Sir,

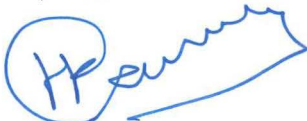
With reference to the captioned subject, we would like to inform you that the Board of Directors of the Company at their meeting held on Saturday, July 11, 2020 has amended the "Code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering to the principles of fair disclosure" AND "Code of conduct for regulating, monitoring and reporting of trading by designated persons" (the "code"), pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

The amended code is attached herewith.

This is for your information and record.

Thanking you.

Yours faithfully,
For, Shahlon Silk Industries Limited



Hitesh K. Garmora
Company Secretary

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION FOR ADHERING TO
THE PRINCIPLES OF FAIR DISCLOSURE**

&

**CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING
OF TRADING BY DESIGNATED PERSONS**

OF

SHAHLON SILK INDUSTRIES LIMITED

(Amended at Board Meeting held on July 11, 2020)

**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Unpublished Price Sensitive Information for adhering to the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**”), Shahlon Silk Industries Limited, hereby notifies the “**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for adhering to the Principles of Fair Disclosure**” (herein after referred to as “**the Code**”).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 SHAHLON SILK INDUSTRIES LIMITED

“**Board of Directors**” means Board of Directors of SHAHLON SILK INDUSTRIES 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. Shahlon Silk Industries 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 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 in to being.
2. The Company shall make uniform and universal dissemination of unpublished price sensitive information 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, delisting, 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 came 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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CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS

INTRODUCTION

This Code may be called as “Code of Conduct of SHAHLON SILK INDUSTRIES LTD for regulating, monitoring and reporting of trading by Designated Persons” pursuant to regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 issued on 15th January, 2015.

OBJECTIVE OF THE CODE

The objective of the Code is to regulate, monitor and report trading by Designated Employees and other Connected Persons towards achieving compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Applicability

This Code shall apply to all Designated Employees and other Connected Persons mentioned in this Code.

1. DEFINITIONS

“**Act**” means the Securities and Exchange Board of India Act, 1992.

“**Board**” means the Board of Directors of the Company.

“**Code**” or “**Code of Conduct**” shall mean this Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons of “SHAHLON SILK INDUSTRIES LTD” as amended from time to time.

“**Company**” means SHAHLON SILK INDUSTRIES LTD.

“**Compliance Officer**” means Company Secretary or such other senior officer appointed by the Board of Directors of the Company for the purpose of these Regulations from time to time.

“**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 UPSI 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 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

“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.

Designated Employee(s) means a person occupying any of the following position in the Company:

- (i) All Directors and KMPs
- (ii) Every employee in the grade of General Manager and above;
- (iii) All employee working in the finance, accounts, secretarial and legal department and
- (iv) Any other employee as may be determined and informed by the Compliance Officer in consultation with Managing Director/ Whole Time Director from time to time.

“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.

“Generally available Information” means information that is accessible to the public on a non-discriminatory basis.

“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.

“Insider” means any person who is,

- (i) A connected person; or
- (ii) In possession of or having access to UPSI.

“Key Managerial Person” means person as defined in Section 2(51) of the Companies Act, 2013

“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.

“Promoter Group” 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.

“Regulation” shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

"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;

“Stock Exchange” means exchange where the company’s shares are listed and traded.

"Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

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

"Trading Day" means a day on which the recognized stock exchanges are open for trading;

“Trading Window” means trading period for trading in the Company’s Securities. All days shall be the trading periods except when trading window is closed;

“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;
- (v) Changes in key managerial personnel; and

Compliance Officer may decide any other matter also as Price Sensitive Information;

All other 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(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.

2. ROLE OF COMPLIANCE OFFICER

The Company Secretary shall be the Compliance Officer for the purpose of the Code.

The Compliance Officer 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 Code of Conduct under the overall supervision of the Board of Directors.

The Company Secretary & Compliance Officer shall report on insider trading to the Board of Directors of the Company and shall provide reports to the Chairman of the Audit Committee, or to the Chairman of the Board every quarterly or at such frequency as may be stipulated by the Board of Directors (but not less than once in year)*.

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

3. PRESERVATION OF "PRICE SENSITIVE INFORMATION"

All Designated Employees and Connected Persons shall maintain the confidentiality of price sensitive information. All information shall be handled within the Company on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

No insider shall communicate, provide, or allow access to any UPSI, relating to a 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.

No person shall procure from or cause the communication by any insider of UPSI, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would entails:

- (i) an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction (sharing of such information*) is in the best interests of the Company; or
- (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*).

However, 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 the limited purpose and shall not otherwise trade in securities of the Company when in possession of UPSI.

(The Board of director shall maintain a structured digital data base containing name and PAN of such persons or entities with adequate internal controls and checks to ensure non-tampering of the data base.)*

NEED TO KNOW:

- (i) “need to know” basis means that UPSI 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 the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

LIMITED ACCESS TO CONFIDENTIAL INFORMATION:

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

CHINESE WALL:

To prevent the misuse of UPSI, the Company has adopted a “Chinese Wall,, which separates those departments which routinely have access to UPSI, considered “inside areas” from those departments which deal with investment advice or other departments providing support services, considered “public areas”. Further as per said Chinese wall:

- The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- The Employees in inside area may be physically separated from the Employees in public area.
- The demarcation of various departments as inside area shall be determined by the Compliance Officers in consultation with the Board.
- Only in exceptional circumstances, Employees from the public areas are brought over the wall and given UPSI on the basis of “need to know” criteria, under intimation to the Compliance Officer.

4. (DETERMINATION OF LEGITIMATE PURPOSES)*

The term legitimate purposes shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisor, auditors, insolvency professionals or other advisors and consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

The board of directors shall guide the compliance officer to communicate any UPSI for legitimate purpose. The board of directors shall have adequate process and mode of sharing such information. Such person in receipt of UPSI pursuant to a ‘legitimate purpose’ shall be consider an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.

Sharing of UPSI shall be considered for a legitimate purpose whenever the Board of Directors considers deems fit in compliance with the provisions.

The policy will stand amended whenever there is an amendment in provisions of SEBI (PIT) Regulations, 2015 time to time.

5. TRADING PLAN

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.

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; and
- (vi) Not entail trading in securities for market abuse.

The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the 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.

(Provided that preclearance of trades shall not be required for a trade executed as per an 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.)*

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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such UPSI becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

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

6. TRADING WINDOW AND WINDOW CLOSURE

- (i) the trading periods of the stock exchanges, called “trading window”, is available for trading in the Company’s securities.

- (ii) The trading window shall be, inter alia, closed at the time:-
 - a. Declaration of financial results (Quarterly, half yearly and annually)
 - b. Declaration of Dividend (interim/final)
 - c. Issue of securities by way of Public/Right/Bonus etc.
 - d. Any major expansion plans or execution of new projects
 - e. Amalgamation, merger, takeovers and Buy-Back
 - f. Disposal of whole or substantially whole of the undertaking
 - g. Any other matter which is likely to be price sensitive.

- (iii) The Trading window shall be closed from the date of sending notice of Board Meeting of the Company to consider any of the items stated above, unless decided otherwise by the Board.

- (iv) The Trading Window shall be re-opened 48 (Forty Eight) hours after the information referred hereinabove is made public.

- (v) All Designated Employees and their immediate relatives shall conduct all their trading in the securities of the Company only in a valid trading window and shall not trade in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred above or during any other period as may be specified by the Company from time to time.

- (vi) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

The Compliance Officer shall intimate the closure of trading window to all the designated employees and their immediate relatives of the Company when she/he 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.

The Compliance Officer after taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than 48 (Forty Eight) hours after the information becomes generally available.

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.

7. PRE-CLEARANCE OF TRADES

All Designated Employees and their immediate relatives, who intend to deal in the securities of the Company when the trading window is opened, and if the value of the proposed trades is above 1% of the total shareholding or above Rs. 10 Lakh (market value), whichever is less, should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of UPSI even if the trading window is not closed and hence he shall not be allowed to trade. The compliance officer is authorized to change the aforesaid limit from time to time. The pre-dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Form PCT-1 to the Compliance officer along with an undertaking in Annexure I in favor of company by such Designated Employees or their immediate relatives who intends to deal in, incorporating, inter alia, the following clauses, as may be applicable:
- That the employee/director/officer does not have any access or has not received “Price Sensitive Information” up to the time of signing the undertaking.
 - That in case the Designated Employees or their immediate relatives 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/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
 - That he/she has not contravened the code of conduct for trading by insider as notified by the Company from time to time.
 - That he/she has made a full and true disclosure in the matter.
- (ii) The Compliance officer shall on receiving an application provide the Designated Employees or their immediate relatives with an acknowledgment on the duplication of the application. Further the Compliance officer shall grant approval (Annexure II) within 2 days from date of acknowledgement.
- (iii) All Designated Employees or their immediate relatives 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 seven days after the approval is given, the designated employee must pre-clear the transaction again. The designated employee shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form Annexure III. In case the transaction is not undertaken, the Designated Employee or his/ her immediate relative shall inform the Compliance Officer of such decision along with reasons thereof immediately.
- (iv) No Designated Employee or his/ her immediate relative shall apply for pre-clearance of any proposed trade when the trading window is closed or if he/she is in possession of UPSI. 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

UPSI. He/She shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

- (v) It shall be the responsibility of Designated Employees to ensure compliance of aforesaid clauses above in case of their immediate relatives also.
- (vi) All Designated Employees and their immediate relative who buy or sell any number of shares of the Company shall not enter into an opposite transaction or contra trade during the next six months following the prior transaction. 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.

(Provided that this shall not be applicable for trades pursuant to exercise of stock options.)*

8. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

(a). Initial Disclosures:

By Whom	What to be disclosed	When to be disclosed	Form
Promoter/ Director/ KMP to the Compliance Officer	Holding of securities of the Company as on the date of this Code taking effect i.e. 15.05.2015	Within thirty days of this Code taking effect	Form A
Promoter/ Director/ KMP to the Compliance Officer	Holding of securities of the Company as on date of appointment or becoming Promoter	Within seven days of such appointment or of Becoming Promoter	Form B

(b). Continual Disclosure:

By Whom	What to be disclosed	When to be disclosed	Form
Promoter/ Director/ Employee to the Compliance Officer	Number of such securities acquired or Disposed off	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 Rs. 10 lakh OR such other value as may be specified. <i>*disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.</i>	Form C
Company	Details of above disclosure	Within two trading days of receipt of disclosure or becoming aware of such Information	Form D

Updated form with regard to Code shall be available with Compliance officer of the Company.

The disclosures to be made by any person under clause 8(a) and clause 8(b) shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purpose of clause 8(a) and 8(b).

Disclosure by other connected person:

Disclosures by other connected persons shall be as per SEBI (Insider Trading) Regulations, 2015 in prescribed form.

Other Disclosures to the Company:*

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) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions

9. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S)

Within 2 days of the receipt of intimation under Clause 8(a) and 8(b), the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

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.

10. MECHANISM FOR PREVENTION OF INSIDER TRADING*

The Managing Director of the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements to prevent insider trading. The internal Control shall include all the provisions which are mentioned in the Regulations. A list of all employees and other persons with whom UPSI is shared shall be maintained and if necessary agreements shall be signed and due Notice shall be served to such persons.

The Board shall review and evaluate the effectiveness and internal controls.

11. DISSEMINATION OF PRICE SENSITIVE INFORMATION

No information shall be passed by designated employees by way of making a recommendation for the purchase or sale of securities of the Company.

Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors

- Only public information to be provided.
- At least two Company representatives are present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

12. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT

Every Designated employee shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

Any Designated employee who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.

Designated employee who violates the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

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.

13. AMENDMENTS/REVISIONS:

The board shall have the power to amend/replace the code as and when applicable and revised from Regulators.

The Company Secretary & Compliance officer is being authorized to make necessary changes in the disclosure required, format & other information to make a fair and transparent disclosure in aforesaid Code of Conduct.

Form PCT-1 (APPLICATION FOR PRE-CLEARANCE OF TRADE)

(To be given in duplicate)

To,
Date: The Compliance Officer,
SHAHLON SILK INDUSTRIES LTD.,
Surat.

Dear Sir/Madam,

Sub: Application for Pre –Dealing approval in Securities of the company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulation 2015 and the company's Code of Conduct for Prevention of Insider Trading, I seek approval to purchase/sale/subscription of equity shares of the company as per details 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 dealing in securities		
7.	Estimated number of securities proposed to be acquired/subscribed/sold		
8.	Price at which the transaction is proposed Current market price (as on date of application) Whether the proposed transaction will be through stock exchange or off-market deal		
9.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited		

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature)



ANNEXURE I
FORMAT OF UNDERTAKING

To,
SHAHLON SILK INDUSTRIES LTD.,
Surat

I, _____, _____ of the Company residing at _____, am desirous of dealing 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 or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, 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 dealing in the securities of the Company until such information becomes public.

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

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

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

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

(.....) Signature

Date:

* Indicate number of shares

ANNEXURE II

FORMAT OF PRE-CLEARANCE ORDER

To,
Name: _____
Designation: _____
Place: _____

This is to inform you that your request for dealing in _____(no) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a “Nil” report shall be necessary.

Yours faithfully,

FOR SHAHLON SILK INDUSTRIES LTD.

COMPLIANCE OFFICER

Date: _____

Encl: Format for submission of details of transaction

ANNEXURE III

FORMAT OF DISCLOSURE OF TRANSACTIONS

To,
The Compliance Officer,
SHAHLON SILK INDUSTRIES LTD.,
Surat

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)

Name of holder	No. of securities dealt with	Bought/ Sold/ Subscribed	DP ID/ Client ID/ Folio no.	Price (Rs.)

In connection with aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the compliance officer/ SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery Instruction Slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. *(Applicable in case of purchase / subscription).*

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

Date: _____

Signature: _____
Name: _____
Designation: _____

FORM A

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

[Regulation 7 (1) (a) read with Regulation 6 (2)]

Name of the company: _____

ISIN of the company: _____

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

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 Shareholding	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
1	2	3		4	5		6	7

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

Signature:

Designation:

Date:

Place:

FORM B

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

[Regulation 7 (1) (b) read with Regulation 6(2)]

Name of the company: _____

ISIN of the company: _____

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

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/appoint		Open Interest of the Option Contracts held at the time of becoming Promoter/appoint	
			Type of security (For eg. – Shares, Warrants, Convertible	No.		Number of units (contract s	Notional value in Rupee terms	Number of units (contract s	Notional value in Rupee terms
1	2	3	4	5	5	6	7	8	9

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

Signature:
 Designation:
 Date:
 Place:

FORM C

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

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoters/ KMP / Directors / immediate relatives / others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% 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 Debenture	No.	Type of security (For eg. – Shares, Warrants, Convertible	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts)	Value	Number of units (contracts)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Signature:

Designation:

Date:

Place:

Form D (Indicative format)

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, PAN No., CIN/DIN & address of connected persons, as identified by the company with contact nos.	Connection with company)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/acquisition of shares/sale of		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 Debenture	No.	Type of security (For eg. – Shares, Warrants, Convertible	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts)*	Value	Number of units (contracts)*	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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:
