

SULABH ENGINEERS AND SERVICES LIMITED

CODE OF CONDUCT AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

(Last Amended on 05.07.2025)

(Approved by the Board of Directors on April 30, 2019)

Preamble:

This Code has been formulated in pursuance of Regulation 8(1) and 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, and is intended to ensure fair disclosure of Unpublished Price Sensitive Information (UPSI).

The Board of Directors of **Sulabh Engineers and Services Limited** has adopted this revised Code of Practices and Procedures for Fair Disclosure of UPSI (hereinafter referred to as the "Code"), which supersedes the earlier code and shall be effective from **07 JULY 2025**.

I. Definitions:

a) Legitimate Purpose:

Sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried to evade or circumvent the prohibitions of these regulations.

b) Unpublished Price Sensitive Information (UPSI):

Any information relating to the Company or its securities, directly or indirectly, that is not generally available and which, upon becoming generally available, is likely to materially affect the price of the securities. It includes, but is not limited to, the following: "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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: –

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business [award or termination of order/contracts not in the normal course of business] and such other transactions;
- (v) Changes in key managerial personnel [other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor]
- (vi) Change in rating(s), other than ESG rating(s)
- (vii) Fund raising proposed to be undertaken
- (viii) Agreements, by whatever name called, which may impact the management or control of the company;
- (ix) Fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad
- (x) Resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- (xi) Admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016

- (xii) Initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report
- (xiii) Action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company
- (xiv) Outcome of any litigation(s) or dispute(s) which may have an impact on the company
- (xv) Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business
- (xvi) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of sub-clause (ix):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.

- c) All other terms not specifically defined herein shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015, and any amendments thereof.

C) 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.

d) Connected Person

means any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, that allows such a 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). a 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 relative or banker of the company, has more than ten per cent of the holding or interest; [or]
- [(k). a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
- (l). a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);]

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. [Relatives] and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

(e) "**generally available information**" means information that is accessible to the public on a non-discriminatory basis 10[and shall not include unverified event or information reported in print or electronic media];

It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what 11[constitutes] unpublished price sensitive information. Information published on the website of a stock exchange, would ordinarily be considered generally available.

f) “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;

(g) “insider” means any person who is:

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

[NOTE: Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered as an "insider" regardless of the manner in which one came into possession of or had access to such information. Various circumstances are provided to enable such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.”]

h) “relative” shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;

- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at sub-clause (iii); and
- (vi) spouse of the person listed at sub-clause (iv)

NOTE: It is intended that the relatives of a “connected person” too become connected persons for the purpose of these regulations. It is a rebuttable presumption that a connected person had UPSI.]

II. Code of Fair Disclosure:

1. The Company shall ensure prompt public disclosure of UPSI that would impact price discovery, as soon as credible and concrete information is available, to make it generally available to the public on a non-discriminatory basis.
2. The Company shall ensure uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Compliance Officer of the Company shall ensure compliance with Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
4. The Company shall promptly disseminate UPSI that gets disclosed selectively, inadvertently, or otherwise, in order to make such information generally available.
5. The Company shall provide appropriate and fair responses to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that no UPSI is shared with analysts or research personnel.
7. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relation conferences available on the official website to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all UPSI on a “need-to-know” basis.
9. Any person who receives UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for the purpose of these regulations. Due notice shall be given to such persons to maintain confidentiality of the UPSI and comply with SEBI (Prohibition of Insider Trading) Regulations, 2015.

10. A structured digital database shall be maintained containing the names of such persons or entities with whom UPSI is shared. This database shall also include their Permanent Account Number (PAN) or any other identifier as authorized by law where PAN is not available. The database shall be maintained with adequate internal controls, time stamping, and audit trail features to prevent tampering.
 11. This Code shall be published on the official website of the Company.
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III. Standard Procedures:

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, once in a year about the code and procedures.
2. All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.
4. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer.
5. 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.
6. Pre-clearance trade should be executed within seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.
7. The person making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance should include such information which are necessary for evaluation that the purpose is legitimate and the person who is making application is not in the possession of UPSI.

IV. Review:

This Code may be amended or revised from time to time by the Board of Directors in line with regulatory requirements or as deemed appropriate.

Place: Kanpur

Date: April 30, 2019