

# SWADESHI POLYTEX LIMITED

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## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Effective Date: November 12, 2025 (Revised and Updated Version)

### I. INTRODUCTION

Swadeshi Polytex Limited (“the Company” or “SPL”) aims to maintain the highest standards of integrity and transparency in securities trading. This Code of Conduct for Prevention of Insider Trading (“the Code”) has been framed pursuant to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“the Regulations”).

The objective of this Code is to regulate, monitor, and report trading by Designated Persons and their Immediate Relatives to prevent misuse of Unpublished Price Sensitive Information (UPSI) and ensure compliance with applicable laws.

### II. DEFINITIONS

“Regulations” means the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

**“Designated Persons” shall include:**

- a. All Directors (Executive, Non-Executive, and Independent) of the Company;
- b. Key Managerial Personnel (KMPs) as defined under Section 2(51) of the Companies Act, 2013;
- c. All employees at the level of Manager and above;
- d. Functional and departmental heads, and employees in the Finance, Accounts, Legal, Secretarial, and Compliance Departments;
- e. Executive Assistants to KMPs;
- f. IT, Secretarial, and any other support staff having access to UPSI;
- g. Promoters and members of the Promoter Group of the Company and their Directors; and
- h. Any other person as may be designated by the Board in consultation with the Compliance Officer from time to time, on the basis of their functional role or access to UPSI.

**“Immediate Relative”** means a spouse, parent, sibling, or child of a Designated Person or of their spouse, any of whom is either financially dependent on such person, or consults such person in taking decisions relating to trading in securities.

**“Connected Person”** means any person who is or has been associated with the Company, directly or indirectly, during the six months prior to the concerned act, in any capacity (including through contractual, fiduciary, or employment relationship), which allows such person access to UPSI.

**“Compliance Officer”** means the Company Secretary or such other senior officer designated by the Board who shall be responsible for compliance, monitoring, and recordkeeping under this Code.

**“Unpublished Price Sensitive Information (UPSI)”** means any information relating directly or indirectly to the Company or its securities that is not generally available and which, upon becoming public, is likely to materially affect the price of such securities.

Examples include: Financial results; Dividends; Change in capital structure; Mergers, acquisitions, or disposal of undertakings; Changes in Key Managerial Personnel.

### **III. COMPLIANCE OFFICER AND DUTIES**

The Compliance Officer shall:

Maintain a list of Designated Persons and their Immediate Relatives.

Approve pre-clearance applications for trading.

Monitor adherence to the Code and maintain records of disclosures for a minimum period of five (5) years.

Provide periodic training to Designated Persons on this Code and the SEBI Regulations.

Report violations to the Board of Directors and to SEBI, as required.

### **IV. PRESERVATION OF UPSI**

Designated Persons shall maintain strict confidentiality of all UPSI.

UPSI shall be disclosed only on a need-to-know basis.

Access to UPSI shall be restricted through secure systems and password-protected databases.

The Company shall maintain a structured digital database, internally or through an external service provider, containing the names and details of persons with whom UPSI is shared, along with time-stamped audit trails, in accordance with Regulation 3(5) of the SEBI Regulations.

## **V. TRADING WINDOW**

The trading window shall remain closed during periods when UPSI is in existence, including (but not limited to):

- Declaration of financial results;
- Declaration of dividends;
- Changes in capital structure;
- Mergers, demergers, acquisitions, or other material transactions;
- Changes in Key Managerial Personnel.
- The trading window shall reopen 48 hours after the UPSI becomes generally available.

The Compliance Officer shall notify the opening and closing of the trading window to all Designated Persons and Connected Persons. Former Directors and Key Managerial Personnel (KMP) shall also be informed of the trading window closure for a period of nine months following their cessation from office.

## **VI. PRE-CLEARANCE OF TRADES**

All Designated Persons and their Immediate Relatives intending to trade in the Company's securities exceeding ₹10,00,000 in value (whether in one or multiple transactions during a calendar quarter) shall obtain prior clearance from the Compliance Officer.

The pre-cleared transaction must be executed within seven (7) trading days from the date of approval; otherwise, fresh clearance shall be required.

## **VII. RESTRICTION ON OPPOSITE TRADE**

Designated Persons shall not enter into opposite trades (buy/sell or sell/buy) in the Company's securities for a period of six (6) months from the date of their last transaction.

This restriction shall not apply to trades made pursuant to statutory obligations such as participation in open offers, rights issues, or bonus issues.

In exceptional circumstances, relaxation may be granted by the Compliance Officer after recording the reasons in writing.

## **VIII. PENALTY FOR CONTRAVENTION**

Any Designated Person who violates this Code or the SEBI Regulations shall be subject to disciplinary action, including but not limited to wage freeze, suspension, recovery of profits, withholding of increments or bonuses, and termination of employment.

In addition, SEBI may impose monetary penalties under Sections 15G and 15HB of the SEBI Act, 1992, which may extend up to ₹25 crore or three times the amount of profits made, whichever is higher.

The Company shall promptly report such violations to SEBI and may initiate internal investigations.

Any profit made from trades in contravention of this Code shall be disgorged to the Investor Protection and Education Fund (IPEF) established by SEBI.

#### **IX. INFORMATION TO SEBI**

If the Company or the Compliance Officer observes any violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, it shall be reported to SEBI promptly along with all relevant details.

#### **X. DISCLOSURE REQUIREMENTS FOR DESIGNATED PERSONS**

Designated Persons shall be required to disclose the following information to the Company on an annual basis, and whenever there is a change:

i. Names and Permanent Account Numbers (PAN) or any other identifier authorized by law of:

Immediate Relatives; and

Persons with whom they share a material financial relationship.

ii. Phone numbers (including mobile numbers) used by them.

Explanation: "Material financial relationship" means a relationship in which one person is a recipient of any kind of payment such as a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person, but shall exclude relationships based on arm's length transactions.

#### **XI. REVIEW AND AMENDMENT**

This Code shall be reviewed periodically by the Board of Directors to ensure alignment with amendments in the SEBI Regulations and best corporate governance practices.

The Code explicitly provides that all Connected Persons, including former Directors, shall be notified of trading window closures for the applicable six-month period post-cessation to ensure continued compliance.

Any modification to this Code shall take effect from the date of its approval by the Board of Directors.

#### **XII. ACKNOWLEDGEMENT**

All Designated Persons shall provide a written acknowledgment annually confirming that they have read, understood, and agree to comply with the provisions of this Code.