

## **Conduct for Regulating, Monitoring & Reporting of Trading in the Securities of UNIVERSAL STARCH CHEM ALLIED LTD LIMITED**

### **I. PREAMBLE**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (hereinafter referred to as the "SEBI PIT Regulations") mandates the listed Companies to frame a Code of Conduct for Regulating, Monitoring and Reporting of Insider Trading. These SEBI PIT Regulations have been amended vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as effective from March 25, 2021 and to give effect to the further amendments, issued till date.

Accordingly, the Conduct for Regulating, Monitoring & Reporting of Trading in the Securities shall be effective from the date of approval by the Board of Directors of the Company i.e. March 25, 2021.

### **II. APPLICABILITY**

This Conduct for Regulating, Monitoring & Reporting of Trading in the Securities is applicable on all designated persons and their immediate relatives who have access to or could have access to unpublished price sensitive information about the Company. Such persons are required to comply with this Code and to make the necessary disclosures as per Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as adopted by the Company.

### **III. DEFINITIONS**

1. **"Act"** means the Securities and Exchange Board of India (SEBI) Act, 1992 (15 of 1992), Rules framed thereunder and any amendments thereto;
2. **"Board of Directors"** or **"Board"**, means the collective body of the Directors of the Company;
3. **"Code"** means this Conduct for Regulating, Monitoring & Reporting of Trading in the Securities.
4. **"Company"**, **"This Company"** or **"The Company"**, wherever occur in the policy shall mean **UNIVERSAL STARCH CHEM ALLIED LTD LIMITED** .
5. **"Compliance Officer"** Compliance Officer shall mean "Company Secretary/ Deputy Company Secretary" of the Company 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these SEBI PIT Regulations under the overall supervision of the Board of Directors of the Company and should be financially literate.
6. **"Connected Person"** means any person who is or has during the six months prior to the concerned act been associated with the 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. Generally, the following persons shall be deemed to be connected persons unless the contrary is established:
  - (i) an immediate relative of connected persons;
  - (ii) a Holding Company or Associate Company or Subsidiary Company of the Company; or
  - (iii) an intermediary as specified in Section 12 of the Act; or

- (iv) an Investment Company, Trustee Company, Asset Management Company or an employee or Director thereof; or
  - (v) an Official of a Stock Exchange or of Clearing House or Corporation; or
  - (vi) 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
  - (vii) 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
  - (viii) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - (ix) a Banker of the Company; or
  - (x) 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;
7. **“Designated Persons”** means all those persons as defined in sub regulation 4 of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015
8. **“fiduciary”** shall mean professional firms such as auditors, accounting firms, law firms, analysts, insolvency professionals, consultants, banks etc., assisting or advising listed companies.
9. **“immediate relative”** means 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;
10. **“insider”** means any person who is:
- (i) a connected person; or
  - (ii) in possession of, in receipt of or having access to unpublished price sensitive information;
11. **“Stock Exchange”** shall mean BSE Limited and any other stock exchange(s) on which the securities of the Company are listed for the time being.
12. **“Trading”** means and includes subscribing, buying, selling, dealing (including pledging), or agreeing to subscribe, buy, sell, deal in any securities of the Company and "trade" shall be construed accordingly;
13. **“Legitimate Purpose”** shall include 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 out to evade or circumvent the prohibitions of these SEBI PIT Regulations.
14. **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year;
15. **“Unpublished Price Sensitive Information” (‘UPSI’)** means any information, relating to the 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;
  - (vi) Other matters as may be prescribed by SEBI/considered by the Compliance Officer to be price sensitive from time to time.

#### **IV. INTERPRETATION**

Words and expressions used and not defined in the Code but defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and/ or any amendment thereto, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and/ or any amendment thereto, SEBI PIT Regulations, 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 Act, 2013 (18 of 2013) and rules made thereunder shall have the meanings respectively assigned to them in those legislation.

#### **V. CODE**

##### **1. PRESERVATION OF "UNPUBLISHED PRICE SENSITIVE INFORMATION" ('UPSI')**

The insiders shall maintain the confidentiality of all UPSI and shall not pass on such information to any person, directly or indirectly, 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 the Company or its securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

##### **2. NEED TO KNOW**

UPSI is to be handled on a "need to know" basis i.e. UPSI should be disclosed only to those within the Company who need the information to discharge their official duties.

A Chinese wall exists between members of respective departments and of the rest of Company. This Chinese wall is designed to isolate activities of one department from other in order to restrict the dissemination of information obtained by the respective departments/ members on a "need-to- know" basis.

This Chinese wall is supported by the following procedures:

- Physical separation of each Department;
- Limiting computer access to the Inter-department network;
- Restriction on access to data via pen drives, external hard drives etc;

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc. All Designated Persons must maintain the confidentiality of all UPSI coming into their possession or control.

##### **3. PROHIBITION ON TRADING WHILE IN POSSESSION OF UPSI**

Trading in securities of the Company is prohibited when a person is in possession of UPSI. A person who has traded in the securities of the Company, it shall be presumed that his trades are motivated by the knowledge and awareness of such information. The insider may prove his innocence as provided in proviso to Regulation 4(1) of the SEBI PIT Regulations.

The insider shall not pass on any UPSI to any person directly or indirectly by way of making a

recommendation for the trading in the securities of the Company; or

The insider shall not disclose UPSI to their family members, friends, business associates or any other individual, or

The insider shall not discuss UPSI in public places, or

The insider shall not disclose UPSI to any Employee who does not need to know the information for discharging his or her duties, or

The insider shall not recommend to anyone that they may undertake trading in the securities of the Company while being in possession, control or knowledge of UPSI.

#### **Trading in the securities of other companies**

While discharging their role, employees may become aware of any UPSI relating to the Company's clients, suppliers or joint ventures. Such employees shall not deal in the securities of such client, supplier or joint venture companies if they possess any UPSI in relation to that other company.

For example, if a person is aware that the Company is close to or is negotiating a significant/ material investment or any corporate structuring transaction or an alliance with another company or any contract or transaction which qualifies to be UPSI, he should not deal in the securities of either Universal Starch Chem Allied Limited or the other company.

In the case of Connected Persons, the onus of establishing that they were not in possession of UPSI, shall be on such Connected Persons.

#### **4. PROHIBITION ON TRADING DURING CLOSURE OF TRADING WINDOW / TRADING RESTRICTION PERIOD**

Designated persons may execute trades subject to compliance with the SEBI PIT Regulations. Towards this end, a notional trading window is used as an instrument of monitoring trading by the designated persons. The trading window shall be closed or trading restriction period starts, when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Trading Window shall be deemed to be closed from the end of every quarter and shall be opened on third calendar day from the day on which the Price sensitive information is communicated to the Stock Exchange and becomes generally available. However, if the circumstances so warrants, the time for closing of trading window may be increased or decreased by the Compliance Officer.

The closure of the trading window for the purposes for which no specific notice/ intimation is required to be given to Stock Exchange shall be advised by the Compliance Officer of the Company, while the Trading Window shall be opened on third calendar day from the day on which Price sensitive information is communicated to the Stock Exchange and becomes generally available.

#### **5. PRE CLEARANCE OF TRADES**

All Designated persons, who intend to deal in Company's securities (themselves or through immediate relatives) during the period other than trading window closure, are required to obtain the pre-clearance of the proposed acquisition/ purchase/ sale/ pledge transactions as per the procedure described hereunder, if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Ten Lakh Rupees.

In case of dealing by Compliance Officer(s), pre-clearance from Managing Director or Whole-time Director shall be required.

An application for pre-clearance shall be made to the Compliance Officer of Company in the format specified in **Annexure I**.

The Compliance Officer(s) will scrutinize the application within 2 working days of submission and communicate the approval/ refusal (along with reasons therefore) to the applicant. In the absence of the Compliance Officer(s), the pre-clearance application will be decided upon by the Managing Director or Whole-time Director.

In case any transaction has been refused, the Designated Person shall be free to re-apply for pre-clearance of the transaction, which was refused, to Chairperson of Audit Committee of the Company. The decision of Chairperson of Audit Committee in this regard shall be final.

The pre-clearance approval shall be valid only for seven calendar days from the date of communication and shall lapse thereafter. If the transaction is not consummated within seven calendar days from the approval date, the Designated Person will be required to follow the process of pre clearance again. However the Compliance Officer(s) shall have the right to revoke the clearance granted, before the relevant transaction has been consummated, if considered necessary.

The requirements of pre- clearance of a proposed transaction shall not apply in the following cases:

- In the event of participation of a public event i.e. a rights or a bonus issue, preferential issue.
- In the case of any acquisition of shares through transmission or inheritance, or like mode.
- By way of any court settlement or award thereof.

## **6. TRADING PLAN**

The SEBI PIT Regulations contain provisions enabling an Insider to formulate trading plan(s) and present it to the Compliance Officer pursuant to which trades may be carried out on his behalf in accordance with such plan. The provisions enable the formulation of a trading plan by an Insider to enable him to plan for trades to be executed in future.

The provision intends to give an option to persons who may be perpetually in possession of UPSI and enabling them to trade in securities in a compliant manner.

Insiders desiring to formulate Trading Plan(s) may do so in accordance with the provisions of the SEBI PIT Regulations.

Pre-clearance of trade shall not be required for a trade executed as per the approved plan. Further, trading window norms shall not be applicable for trades carried out in accordance with approved trading plan.

## 7. INTERNAL CONTROL MECHANISM

The Managing Director or Whole-time Director of the Company shall from time to time apprise the Designated Persons about the requirements of the Code and SEBI PIT Regulations. It shall be the duty of each Designated Person to familiarize himself about the requirements of the Code and the SEBI PIT Regulations.

The Company shall maintain a structured Digital Database containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the details as required to be maintained as per the said SEBI PIT Regulations from time to time. 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.

The Company shall enter into Confidential Agreement with Designated Persons with whom UPSI is shared for legitimate purpose and in case UPSI is shared on need to know basis, a notice shall be served to comply with the SEBI PIT Regulations.

The Managing Director/ Whole-time Director shall periodically review the process to evaluate the effectiveness of such internal controls.

The Managing Director/ Whole-time Director shall submit its periodic process review report to the Audit Committee at least once in a financial year.

## 8. DISCLOSURES BY DESIGNATED PERSONS

### A. Initial Disclosure:

Every Person on Appointment as a Key Managerial Personnel or a Directors of the Company or upon becoming promoter or member of the promoter group are required to disclose their holding of Securities in the Company within 7 (seven) days from such appointment or becoming promoter in **Form A**.

### B. Continual Disclosures:

Every Promoter, Members of Promoter Group, Designated Persons and Director shall disclose to the Company in the format prescribed by SEBI, the number of Securities acquired or disposed of, within two trading days of such transaction if the value of 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 or such other value as may be specified by SEBI.

The Company is required to notify the Stock Exchange(s) of such disclosures within 2 (two) trading days of receipt of the disclosure or from becoming aware of such information.

## 9. GENERAL

Designated Persons are advised to pursue this Code and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer(s) shall assist the Designated Persons in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading.

The Compliance Officer(s) shall be responsible for setting forth policies, procedures, monitoring

adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of trades by designating employees or their immediate relatives and the implementation of the Code of Conduct for Prevention of Insider Trading under the overall supervision of the Board of the listed company.

The Compliance officer(s) shall maintain records of all the declarations or information in the appropriate form given by the designated persons for a minimum period of five years.

The Compliance officer(s) shall place before the Chairman of the Audit Committee, on an annual basis all the details of the dealing in the securities by Designated Persons and the accompanying documents that such persons had executed the pre-dealing procedure as envisaged in this code.

## **10. CONTRAVENTION**

Any contravention of the code by Designated Persons shall attract strictest disciplinary action including but not restricted to recovery, clawback of profits made, wage freeze, suspension and/ or termination of employment.

In the event of violation of the Companies Act, 2013 or the SEBI PIT Regulations, no penalty levied or other action taken by the Company will preclude the SEBI or other appropriate authority(ies) from taking action under the relevant legislations.

In case it is observed by the Company/Compliance Officer(s) that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, then the same shall be promptly inform to the stock exchange(s), where the securities of the Company are traded, in such form and such manner as may be specified by the Board from time to time.

**Form No. 1**  
*Application for Pre-clearance of Trade*  
(For Designated Persons and their dependents) \*

To,  
*The Compliance Officer,*  
Universal Starch Chem Allied Limited  
Mhatre Pen Bldgs S Marg 2nd Floor  
Dadar (West) Mumbai MH 400028.

Through Division / Department Head / Whole-Time-Director

01.	Name of the applicant	
02.	Designation / Nature of Relation :	
03.	Employee Pay Roll No.* (if applicable) :	
04.	Nature of securities held : *Equity shares / Debentures / Other Securities	
05.	Number of securities in the Company held as on date	
06.	Nature of proposed dealing for which approval is sought: Purchase / Sales of securities	
07.	Estimated number of securities proposed to be acquired / subscribed/ sold:	
08.	Whether the proposed transaction will be through stock exchange or off-market deal	
09.	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**

**(Name of Designated Person)**

Place:

Date:



**Undertaking to be submitted along with the Application for Pre-Clearance**

To,  
*The Compliance Officer,*  
Universal Starch Chem Allied Limited  
Mhatre Pen Bldgs S Marg 2nd Floor  
Dadar (West) Mumbai MH 400028.

Dear Sir/ Madam,

I \_\_\_\_\_ son of Mr. \_\_\_\_\_, hereby declare that I am the Managing Director of the Company, I further undertake that:

- (i) I am not in possession of or otherwise privy to any information that could be construed as *"Unpublished Price Sensitive Information"* as defined in the Company's Code of Conduct for prevention of Insider Trading ("The Code") upto and at the time of signing this undertaking;
- (ii) In the event that I have access to or received any information that could be construed as *"Unpublished 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;
- (iii) I have not contravened the provisions of the Code of conduct for prevention of insider trading as notified by the Company from time to time;
- (iv) I hereby declare that I shall execute my order in respect of securities of the Company within seven trading days from the date of approval of pre-clearance is given. If the order is not executed within seven trading days from the date of approval, I undertake to obtain pre-clearance for the transaction again.
- (v) I have made full and true disclosure in the matter;

Yours Faithfully

Place:

Date:

FORM – IA [Refer Clause 8(i)]  
LIST OF RELATIVES/IMMEDIATE RELATIVES

1	Spouse	
2	Father (including step-father)	
3	Mother (including step-mother)	
4	Son's (including step-son)	
5	Son's Wife	
6	Daughter	
7	Daughter's husband	
8	Brother's (including step-brother)	
9	Sister (including step-sister)	
10	If you are member of Hindu Undivided	

Yours Faithfully

(Name of Designated Person)

Place:

Date:

ANNEXURE - 3

FORMAT FOR PRE-CLEARANCE ORDER

To,  
Name:  
Designation:  
Place:

This is to inform you that your request for dealing in \_\_\_\_\_ Equity shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ 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 **Universal Starch Chem Allied Limited**

**Compliance Officer**

Date:

**ANNEXURE - 4**

**FORMAT FOR DISCLOSURE OF TRANSACTIONS**

*(To be submitted within 2 days of transaction /dealing in securities of the Company)*

To,  
The Compliance Officer,  
Universal Starch Chem  
Mhatre Pen Bldgs S  
Marg 2nd Floor Dadar  
(West) Mumbai MH  
400028.

I hereby inform that I have bought \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_:-

Name of holder	Bought	DPID /Client ID / Folio No	Price(Rs.)

In connection with the 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).

**(Name of Designated Person)**

Date: