

# SALEM ERODE INVESTMENTS LTD.

Reg. Office: Door No. 61/A8 (38/A8), VJP  
Parjatham Apartments, 1st Avenue, Ashok  
Nagar, Chennai, Tamil Nadu- 600083

Corp. Office: V.K.K Building, Main Road,  
Irinjalakuda, Thrissur, Kerala - 680121

CIN NO. L31200TN1931PLC145816  
Date: 13.02.2023

To,  
BSE Limited,  
P.J. Tower, Dalal Street,  
Mumbai - 400 001  
Scrip Code: 540181

Sir,

Sub: Intimation of revision and adoption of policies

In furtherance to the outcome of the Board Meeting held on 14<sup>th</sup> day of February, 2023 of Salem Erode Investments Limited ("the Company") and pursuant to regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this is to notify that the Board of the Directors of the Company has revised and adopted following policies:

- Code of practices and procedures for fair disclosure of unpublished price sensitive information in compliance with regulation 8 (1) read with Schedule A of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations").
- Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons in compliance with regulation 9 (1) read with Schedule B & Schedule C of PIT Regulations.
- Policy for determination of materiality and disclosure of events/ information in compliance with regulation 30(4)(ii) of the Listing Regulations.

Copies of the same is enclosed for your records and dissemination on the website of the exchange.

Thanking you,  
Yours faithfully,

For **Salem Erode Investments Limited**



**Manisha N. Menon**  
**Company Secretary & Compliance Officer**  
(M. No. A33083)



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A SUBSIDIARY COMPANY  
OF ICL FINCORP LTD

CIN NO. L31200TN1931PLC145816

## ***Code of conduct for prevention of insider trading, as approved by the Board of Directors vide. meeting held on 14<sup>th</sup> day of February, 2023.***

### ***I. Background***

Salem Erode Investments Limited (“the Company”) is an emerging financial service providing Company established and emerged in 16.05.1931 with a registration under the Companies Act, 1913 and expanded its operation into Non-Banking Financial Sector in 1998 with the approval of Reserve Bank of India. Presently, the Company is planning to expand and diversify its operations to different parts of the Country in the coming financial years.

Pursuant to regulation 8 (1) read with Schedule A of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (‘PIT Regulations’), the Board of Directors of every Company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a Code of practices and procedures for fair disclosure of unpublished price sensitive information.

Pursuant to regulation 9 (1) read with Schedule B & Schedule C of PIT Regulations, the Board of Directors of every listed Company shall ensure that the Chief Executive Officer or Managing Director shall formulate a Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with PIT regulations.

To make accurate and timely disclosure of unpublished price sensitive information (“UPSI”) in universal manner, the Board of Directors of the Company vide. meeting held on 14<sup>th</sup> day of February, 2023 has revised and adopted Code of conduct for prevention of insider trading (“Code”) consisting of Code of practices and procedures for fair disclosure of unpublished price sensitive information & Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons.



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## **II. Definitions**

Words and expressions used in this Code and not defined in this Code, but defined in PIT Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 2013, and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations. The provisions of this Code have to be read along with the PIT Regulations and if there is any inconsistency/contradiction between the two, the provisions of the PIT Regulations shall prevail.

## **III. Objective**

This Code is intended to lay down principles and practices to be followed by the Company to preserve the confidentiality of UPSI and to prevent its misuse. The Code ensures timely and adequate disclosure of UPSI and to maintain uniformity, transparency and fairness in dealing with all its stakeholders. Further, the Code will ensure prompt, timely and adequate disclosure of UPSI.

## **IV. Applicability**

The Code shall be applicable to Promoters, Directors, Designated Persons, their Immediate Relatives, all Connected Persons and Insiders, as defined in PIT Regulations. The Code shall effective from 14.02.2023 to next meeting in which policy is revised.

## **V. Compliance Officer**

The Compliance Officer for the purpose of complying with the provisions of PIT Regulations shall be the Company Secretary of the Company from time to time and the Compliance Officer shall ensure disclosures made under this policy are disseminated on the website of the Company. The Compliance Officer shall advise and assist the Board or other Key Managerial Personnel to determine the materiality of an event or information under this policy. The Compliance Officer for the purpose of this Code shall perform the following functions and shall have the following powers:

- 1) Monitor and administer this Code.
- 2) Process the pre-clearance of trade as per approval matrix.
- 3) Maintain, update and preserve records, as per PIT Regulations.

- 4) Clarify issues regarding the Code and redress the grievances of the designated persons.
- 5) Decide and notify the 'No-Trading Period' for designated persons/select persons or specific departments, as deemed necessary.
- 6) Identify and maintain the list of designated persons in consultation with HR function on the basis of specific transactions, as required under the Code.
- 7) The Compliance Officer shall send reports to the Chairman of Audit Committee, on a quarterly basis, providing details of the trading in the securities of the Company by the designated persons and the accompanying documents such persons had executed under the pre-dealing procedure as envisaged in this Code.
- 8) The Compliance Officer shall submit compliance reports to the Audit Committee of the Board as well as the Board of Directors at the end of every quarter.
- 9) The Compliance Officer shall within seven days of coming to know of any contravention of the Code or the PIT Regulations, immediately bring the same to the notice of the Chairman of the Audit Committee and also notify the Securities and Exchange Board of India ("SEBI") of the contravention.
- 10) The Compliance Officer can delegate all or any of the above powers to any officer/employee of the Company.

#### **VI. Chief Investor Relations Officer**

The Board of Directors shall designate Chief Financial Officer or such senior officer of the Company as Chief Investor Relations Officer ("CIRO") to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. Functions of the CIRO are as follows:

- 1) Ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to this Code as required under the PIT Regulations, so as to avoid selective disclosure.
- 2) Determination of questions as to whether any particular information amounts to UPSI.

- 3) Determination of response, if any, of the Company to any market rumour in accordance with this Code.
- 4) Dealing with any query received by any insider about any UPSI.
- 5) Providing advice to any insider as to whether any particular information may be treated as UPSI.
- 6) Responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of UPSI to Stock Exchange(s) where securities are listed, analysts, shareholders and media, and educating employees on disclosure policies and procedure.
- 7) Disclosure/dissemination of UPSI may normally be approved in advance by CIRO. In case of doubt, the CIRO shall consult and seek approval of the Managing Director/Executive Director(s)/Chief Financial Officer of the Company.
- 8) If UPSI is accidentally disclosed without prior approval of CIRO, the person responsible shall inform the CIRO immediately. The CIRO will then promptly disseminate the information to the stock exchanges so as to make such information generally available
- 9) If an insider receives a query about any UPSI related to the Company, he/she shall not comment on the same and shall forward such query to the CIRO. The CIRO shall deal with such query in accordance with applicable law and this Code.

**VII. Code of practices and procedures for fair disclosure of unpublished price sensitive information**

**1) Principles of fair disclosure for purposes of Code of practices and procedures for fair disclosure of UPSI**

The Company shall ensure:

- a) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- c) Designate a senior officer as a CIRO to deal with dissemination of information and disclosure of UPSI.
- d) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e) Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f) Ensuring that information shared with analysts and research personnel is not UPSI.
- g) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- h) Handling of all UPSI on a need-to-know basis

**2) Policy for determination of legitimate purpose**

- a) UPSI is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an impact on the prices of the securities of the Company, if made public.
- b) No insider shall communicate, provide, or allow access to any UPSI, relating to the 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.
- c) Department Heads shall identify all the UPSI available in their departments and shall ensure its confidentiality as per the requirement of this code. Adequate restrictions shall be placed by the Department Head on communication or procurement of UPSI.
- d) All files containing confidential information shall be kept secured under lock and key. Confidential documents/files shall be marked "Confidential" and access to such documents/files shall be made available on need to know basis. Confidential Computer files shall have adequate security of login and Passwords. Documents/files containing confidential information should be deleted/destroyed after its use. Shredders should be used wherever necessary for the destruction of physical files. Chinese Wall procedure and process as detailed hereinafter shall be followed by departments dealing with confidential information.
- e) Till the UPSI becomes a generally available information, UPSI can be shared only on a need-to-know basis and for legitimate purpose as provided hereunder and not to evade or circumvent the prohibitions of the PIT Regulations.
  - i. Sharing of relevant UPSI with consultants, advisors etc engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to UPSI;
  - ii. Sharing of relevant UPSI with intermediaries/fiduciaries viz. merchant bankers, legal advisors, auditors etc in order to avail professional services from them in relation to the subject matter of UPSI

- iii. Sharing of relevant UPSI with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
  - iv. Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the Company's securities on the basis of such information;
  - v. Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.
- f) The determination of 'legitimate purpose' for sharing of UPSI will be specific in each situation. However, the following factors can be taken into consideration:
- i. If it is in the ordinary course of business and/or required to be shared with other entity for discharge of commercial obligations;
  - ii. Whether sharing the information is in the best interest of the Company or necessary for the furtherance of business transactions;
  - iii. Whether the information is required to be shared for enabling the Company to discharge its legal obligations;
  - iv. Required to be done in furtherance of fiduciary duties or in fulfilment of any statutory obligation.
- g) Before sharing of UPSI, the concerned person sharing such UPSI shall comply with the requirements in relation to circumstances and procedure for bringing people 'inside' as provided in the Code. Such 'Insider' are obliged to comply with the requirements of Regulations.
- h) Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as "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.



- i) Sharing of information may be construed as insider trading even while it is in pursuit of compliances required or business interests of the Company in appropriate circumstances. The persons who has the UPSI should ideally recuse himself from assigned task of the sharing the UPSI with third parties in such doubtful cases to avoid any adverse inferences in this regard.
- j) The agreements entered into involved sharing of UPSI should have a “confidentiality clause” or else a separate Non-Disclosure Agreement shall be executed with parties to safeguard the disclosure of UPSI.
- k) The Compliance Officer in consultation with the Managing Director or Chief Executive Officer shall maintain record of the details of the recipients including their PAN or any other identifier authorized by law in case where PAN is not applicable, address etc. of UPSI on legitimate purpose including the following:
  - i. Whether the concerned UPSI is required to be shared?
  - ii. Why the information is required by the recipient?
  - iii. Who had shared the UPSI and whether he was authorised to do so?
  - iv. Whether the Compliance Officer was intimated before such sharing of UPSI?
  - v. Whether non-disclosure agreements were signed?
  - vi. Whether notice to maintain confidentiality of the shared UPSI has been given?
- l) A structured digital database shall be maintained centrally containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

- m) The persons authorized by the Board shall ensure that the structured digital database is preserved centrally for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

**3) Rumours: Verification of market rumours and response to queries**

The CIRO shall provide appropriate and fair responses to queries in relation to UPSI including any news reports. A 'No Comment' policy must be maintained by the Company and the CIRO shall not comment on market rumours except when requested by regulatory authorities to verify such rumours. Further the Company can also record the queries/requests for verification that are received from the regulatory authorities and preserve such records as per the Preservation of records policy.

**4) Disclosure/dissemination of price sensitive information with special reference to analysts, research personnel, institutional investors**

The CIRO shall ensure that best practices of making transcripts or records of proceedings of meetings with analysts and other investor relation conferences on the official website to ensure official confirmation and documentation of disclosures made are developed by the Company.

The best practices shall include uploading the following information on the website of the Company-

- a) Any power point presentation or similar material used by the analyst in such meeting on the website of the Company.
- b) Any earnings guidance or any other similar material distributed during press conference.
- c) Any material information about business plans of the Company provided in response to analyst queries or during discussions in a meeting or any other information which may lead to price discovery has been shared.

No person, except those authorized by the CIRO, shall disclose any information relating to the Company or to the Company's securities to analysts, research personnel and institutional investors.

All Directors and employees of the Company should follow the guidelines given hereunder while dealing with analysts, research personnel and institutional investors: -

a) Only Public information to be provided

The Company shall provide only public information to the analyst/research personnel/large investors like institutions. The CIRO shall ensure that information shared with them is not UPSI. The information given to the analyst should be made public at the earliest.

b) Recording of discussion and simultaneous release of information

When a Company organizes meetings with analysts and other investor relation conferences, the CIRO will ensure that the transcripts or records of proceedings of meetings with analysts and other investor relation conferences are posted on the official website of the Company, to ensure official confirmation and documentation of disclosures made. Wherever possible, it is desirable that at least two representatives of the Company be present at meetings with analysts, brokers or institutional investors to avoid misquoting or misrepresentation.

c) Handling of unanticipated questions

The Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be noted and a considered response given later. If the answer includes price sensitive information, then it should be made generally available before responding.

**VIII. Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons**

**1) Minimum standards & requirements**

The Company shall maintain following minimum standards & requirements for Code of conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons:

- a) The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at quarterly intervals.
- b) All information shall be handled within the organization on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”.
- c) Designated Persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.
- d) Designated persons may execute trades subject to compliance with PIT Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

The gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

The trading window restrictions mentioned in sub-clause (1) shall not apply in respect of –

- i. transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of PIT Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the respective regulations made by the SEBI;

- ii. transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism, as may be specified by the SEBI from time to time.
- e) The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
- f) When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as the Board of Directors may stipulate.
- g) 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 shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- h) The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than 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.
- i) The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing, provided that such relaxation does not violate these regulations. Should a 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 SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under

the Act. Provided that this shall not be applicable for trades pursuant to exercise of stock options.

- j) The code of conduct shall stipulate such formats as the Board of Directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance and for reporting level of holdings in securities at such intervals, as may be determined as being necessary to monitor compliance with these regulations.
- k) Without prejudice to the power of the SEBI under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, etc., that may be imposed, by the Company, for the contravention of the code of conduct. Any amount collected under this clause shall be remitted to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.
- l) The code of conduct shall specify that in case it is observed by the Company required to formulate a code of conduct under sub-regulation (1) of regulation 9, that there has been a violation of these regulations, shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the Board from time to time.
- m) 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:
  - i. immediate relatives;
  - ii. persons with whom such designated person(s) shares a material financial relationship;
  - iii. 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 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 in which the payment is based on arm’s length transactions.

- n) The Company shall have a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of inside information, and the liability that attaches to misuse or unwarranted use of such information.

## **2) Chinese Wall Policy and Procedure**

The Company shall adopt a Chinese wall policy to prevent the misuse of confidential information in relation to the Company or its securities, which separates those areas of the Company which routinely have access to confidential information of the Company (‘inside area’). The employees in the inside area shall not communicate any UPSI to anyone in public area i.e. area other than inside area. The employees in inside area may be physically segregated from employees in public area. Demarcation of various departments as inside area may be implemented by the Company. In exceptional circumstances employees from the public areas may be brought “crossing the wall” and given confidential information on the basis of “need to know” criteria for legitimate purpose, under intimation to the Compliance Officer.

## **3) Prevention of leak of UPSI**

Employees can raise concerns against any leak/suspected leak of UPSI or unethical use of UPSI in accordance with the PIT Regulations or under the procedure prescribed under Company’s whistle blower policy.

Retaliation for reporting suspected violations is strictly prohibited under this Code and the Company’s whistle blower policy. Employee who reports alleged violations of insider trading laws will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination to such employee.

The Company shall initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI in accordance with Policy for inquiry in case of leak of UPSI or suspected leak of UPSI.

**4) *Internal control mechanism for prevention of insider trading***

- a) The Chief Executive Officer, Managing Director or such other analogous person shall put in place adequate and effective system of internal controls to ensure compliance with the requirements under PIT Regulations to prevent insider trading.
- b) The internal controls shall include the following:
  - i. all employees who have access to UPSI are identified as designated employees;
  - ii. all UPSI shall be identified and its confidentiality shall be maintained as per the requirements of PIT Regulations;
  - iii. adequate restrictions shall be placed on communication or procurement of UPSI as required by the regulations;
  - iv. list of all employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
  - v. periodic review to evaluate effectiveness of such internal controls.
  - vi. all other relevant requirements specified under the regulations shall be complied with;
- c) The Board of Directors shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 of PIT Regulations.
- d) The Audit Committee shall review compliance with the provisions of the regulations at least once in a financial year and shall verify the systems for internal control are adequate and are operating effectively.



- e) The Company shall formulate written policies and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI, which shall be approved by Board of Directors of the Company and accordingly initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.
- f) The Company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of UPSI.
- g) If an inquiry has been initiated by the Company in case of leak of UPSI or suspected leak of UPSI, the relevant intermediaries and fiduciaries shall cooperate with the Company in connection with such inquiry conducted by the Company.

**5) Internal code of conduct governing dealing in securities**

**a) Trading Plan**

- a) An insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- b) Such trading plan shall:-
  - i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
  - iii. entail trading for a period of not less than twelve months;
  - iv. not entail overlap of any period for which another trading plan is already in existence;

- v. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
  - vi. not entail trading in securities for market abuse.
- c) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the PIT Regulations & the Code 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 pre-clearance 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.

- d) The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

Provided that the implementation of the trading plan shall not be commenced if any UPSI in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4 of PIT Regulations.

- e) Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

**b) *Pre-clearance of dealings in securities***

- a) The designated persons and their immediate relatives who intend to deal in the securities of the Company either in their own name or in the name of

their immediate relatives, when the trading window is open, shall be subject to preclearance by the Compliance Officer, if the value of the proposed trades is above 5,000 equity shares to be traded in a single transaction or more than 15,000 equity shares to be traded in series of transactions within seven trading day.

- b) Application for pre-clearance shall be made only during valid trading window period. Applications submitted during a period when the trading window is closed shall be invalid and will be deemed to have been automatically rejected.
  
- c) The designated persons and their immediate relatives shall make pre-clearance application to the Compliance Officer. The application shall indicate the estimated number of securities that the designated person intends to deal in, the details as to the depository with which he/she has a security account, the details as to securities in such depository mode and such other details, as may be required by the Compliance Officer from time-to-time in this behalf. An undertaking shall be executed in favour of the Company by designated persons incorporating, inter-alia, the following clauses, as may be applicable:
  - i. that he/she does not have any access or has not received "UPSI" up to the time of signing the undertaking;
  
  - ii. that in case he/she has access to or receives "UPSI" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of any 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;
  
  - iii. that he/she has not contravened Code of practices and procedures for fair disclosure of UPSI & Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives, as notified by the Company from time to time;
  
  - iv. that he/she shall hold their investments in securities for a minimum period of six months from the date of acquisition; or

that he/she has complied with the requirement of minimum holding period of 6 months from the date of acquisition with respect to securities sold;

- v. that he/she undertakes to submit the necessary report within two trading days of execution of the transaction or a Nil report if the transaction is not undertaken;
- vi. that he/she is aware that, he/she shall be liable to face penal consequences as set forth in the Code including disciplinary action, wage freeze, suspension etc. under the Code, in case the above declarations are found to be misleading or incorrect at any time;
- vii. that he/she undertakes not to transact in securities in sanctioned period in case trading window is declared closed subsequently;
- viii. that he/she has made a full and true disclosure in the matter.

A combined proforma for application-cum-undertaking is annexed to the Code as Form - II. All the designated persons and their immediate relatives shall execute documents as may be prescribed by the Compliance Officer from time-to-time. Such application for pre-dealing approval with enclosures must necessarily be sent through electronic mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to: [cs@salemerode.com](mailto:cs@salemerode.com) or to such other e-mail ID as may be notified by the Compliance Officer from time to time.

- d) Immediately on receipt of the pre-clearance application, the date and time of the receipt of the same shall be recorded thereon by the Compliance Officer. The Compliance Officer shall process the pre-clearance applications and if pre-clearance application is in accordance and in compliance with provisions of this Code, the Compliance Officer shall endeavor to communicate the pre-clearance immediately. Dealing in securities by the Compliance Officer shall require prior clearance from the Managing Director.

- e) Every approval letter shall be issued in Form - III. Every approval shall be dated and shall be valid for a period of seven trading day from the date of approval, 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. However, if trading window is closed after pre-approval for trading of security, the pre-approval so granted is automatically deemed to be withdrawn if such period is superseded by closure of trading window.
- f) The designated person or their immediate relatives who intend to deal in the securities either in their own name or in the name of their immediate relatives shall ensure that they complete execution of every pre-cleared deal in the securities as prescribed above within seven trading days from the date of the approval. The designated employee shall file within two trading days of the execution of the transaction, the details of such transaction, with the Compliance Officer in the prescribed form. In the event of executing the transaction or not executing the transaction, a report to that effect shall be filed with the Compliance Officer (Form - IV).
- g) If a deal is not executed by the designated person pursuant to the approval granted by the Compliance Officer within seven trading days, within which trades that have been pre-cleared were to be executed by the designated person, fresh pre-clearance would be needed for the trades to be executed.
- h) The Compliance Officer shall maintain a Register of pre-clearance of trading of securities and record therein the name and designation of the designated person submitting the application, date of the application, date and time of receipt of the application, nature of the transaction, number of securities, consideration value, name of immediate relatives, if the transaction is in the name of immediate relatives and date and details of the actual transaction. A proforma of the Register is given in Form - V.
- i) A designated person shall not execute a Contra Trade within a period of 6 months from the date of trade. The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate this Code. Should a 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 SEBI for credit to the Investor Protection and Education Fund administered by the SEBI. Provided that this shall not be applicable for trades pursuant to exercise of stock options.

- j) The Compliance Officer shall also maintain a Register of "Waiver of restriction on Contra Trade" and shall record thereon the designated persons' details of securities for which waiver is granted, date of waiver and the grounds of the waiver. A proforma of the register is given in Form - VI.

## **2) Disclosure of trading by insiders**

### a) Initial Disclosure

Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter or member of the promoter group shall disclose his/her holding of securities the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

### b) Continual Disclosure

- i. Every promoter, member of the promoter group, designated person and Director of the Company shall disclose to the Company, the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- ii. the Company shall notify the particulars of trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information in the format as specified by SEBI from time to time.

Explanation — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub code, shall be made when the transactions effected after the prior disclosure cross the threshold specified in sub code 2 (a).

c) Disclosure by other connected person

The Company may at its discretion require any other connected person or class of connected person to make disclosures of holdings and trading in securities of the Company in specified form at such frequency as may be determined by the Company in order to monitor compliance with this Code.

d) Annual disclosure by designated person

The Designated Persons are required to make disclosure with regard to their immediate relatives and persons with whom they share a material financial relationship on annual basis and as & when information changes in Form - VII

e) Records

The Compliance Officer shall maintain records of all the declarations viz. initial disclosure, continual disclosure and disclosure by other connected person received as above for a minimum period of five years. Proforma of the register to be maintained is given in Form -VIII.

**IX. Website updation**

The Company shall update all disclosures made under the PIT Regulations and the policy to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention/archival policy of the Company.

**X. Review and amendment of policy**

This Code will be guided by terms of reference as decided by the Board of Directors of Company from time to time and subject to the requirements under the PIT Regulations or such other acts, rules, regulations or guidelines. This Code can be reviewed and modified, as and when deemed necessary, by the Board of Directors of the Company.

By order of Board,  
**For Salem Erode Investments Limited**

  
**K.G. Anilkumar**  
**Managing Director**  
(DIN: 00766739)

Place: Irinjalakuda  
Date: 14.02.2023





**Form - II**

**Application for pre-clearance of trades in securities**

To  
The Compliance Officer  
Salem Erode Investments Limited  
Main Road, Irinjalakuda, Thrissur, Kerala - 680121  
Tel No. (0480) 2828071, Email: cs@salemerode.com

Sir,

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of practices & procedures for fair disclosure of unpublished price sensitive information and Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons, I seek approval for carrying out transaction(s) of the securities (give description) as per the details given below:-

Name, Designation & Emp. No	
Branch	
Date of becoming the designated employee/person	

Sl. No.	Name of the person	Nature of relationship	PAN	No. of securities held as on the date of application	Folio No. / DP ID & Client ID	Nature of transaction (Buy/Sell)	Estimated number of securities to be dealt	Estimated consideration value

### Undertaking

In this connection I/we solemnly confirm and declare:

- a) that I/we do not have any access or have not received "Unpublished Price Sensitive Information" up to the time of signing the undertaking;
- b) that in case I/we have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction I/we shall inform the Compliance Officer of any change in my/our position and that I/we would completely refrain from dealing in the securities of the Company till the time such information becomes public;
- c) that I/we have not contravened the Code of practices & procedures for fair disclosure of unpublished price sensitive information and Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons as notified by the Company from time to time;
- d) that I/we shall hold my/our investments in securities for a minimum period of six months from the date of acquisition; or  
  
that I/we have complied with the requirement of minimum holding period of 6 months from the date of acquisition with respect to securities sold;
- e) that I/we undertake to submit the necessary report within two trading days of execution of the transaction or a Nil report if the transaction is not undertaken;
- f) that I/we are aware that, I/we shall be liable to face penal consequences as set forth in the Code including disciplinary action, wage freeze, suspension etc. under the Code, in case the above declarations are found to be misleading or incorrect at any time;
- g) that I/we undertake not to transact in securities in sanctioned period in case trading window is declared closed subsequently;
- h) that I/we have made a full and true disclosure in the matter.

Pre-clearance may kindly be accorded in terms of provisions of Code of practices & procedures for fair disclosure of unpublished price sensitive information and Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons.

Place:  
Date:

Signature:  
Name:  
Address:  
E-mail:  
Ph No:

***For office use***

Serial number of the application received :

Date & time of receipt of the application :

Date & time of communication of the pre-clearance or otherwise :

Reasons for not giving pre-clearance:

***Signature of the Compliance Officer/ Authorised Officer***

**Form - III**

**Letter of intimation of pre-clearance**

Date:.....

To,  
Name.....  
Address.....

Sir,

With reference to your above application dated .....seeking approval for undertaking certain transactions in securities detailed therein please be informed that you are hereby authorized/not authorized to undertake the transaction(s) as detailed in your said application. Kindly note that in terms of Code of practices & procedures for fair disclosure of unpublished price sensitive information and Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons of Salem Erode Investments Limited ("the Company"), the above mentioned transaction is to be completed within seven trading days from the date of this pre-clearance.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till .....(i.e. for seven trading days). If you do not execute the approved transaction/deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction/deal in the securities. Further, you are required to file the details of the executed transactions in the attached format (Form IV) within two trading days from the date of transaction/deal. In case the transaction is not undertaken, a 'Nil' report shall be given.

Kindly also note that in terms of the Code of practices & procedures for fair disclosure of unpublished price sensitive information and Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons of the Company you shall not execute a Contra Trade within a period of 6 months from the date of trade.

The above sanction automatically stands withdrawn if subsequently the trading window is declared closed involving the period of sanction therein.

Thanking you,

Yours faithfully,

For **Salem Erode Investments Limited**

**Compliance Officer/Authorised Officer**

**Form IV**

**Disclosure of pre-approved transactions**

(To be submitted within two trading days of transaction/dealing in securities of the Company)

Date: .....

To,  
The Compliance Officer  
Salem Erode Investments Limited  
Main Road, Irinjalakuda, Thrissur, Kerala - 680121

Sir,

Sub: Details of pre-approved transaction

Ref: Your approval letter no..... dated .....

I hereby inform you that I

- have not dealt in any securities of the Company or
- have dealt in..... (give description) securities of the Company as mentioned below on .....(insert date) on my behalf or otherwise

Name of holder or Name of immediate relative, if transaction is in the name of immediate relative	PAN	First or Joint holder	No. of securities dealt with	Bought/ sold/ subscribed	DP ID/Client ID (electronic form) or Folio no. for physical, where the securities will be debited or credited	Price (Rs)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 (five) years and produce to the Compliance Officer/SEBI any or all 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).
- 5) Any other document in connection with the transaction.

I declare that the above information is correct and that no provisions of the Company's Code of practices & procedures for fair disclosure of unpublished price sensitive information and Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

I agree not to execute a Contra Trade within a period of 6 months from the date of trade.

Place:  
Date:

Signature:  
Name:  
Address:  
E-mail:  
Ph No:

**Form V**  
**Register of pre-clearance for trade in securities**

SI. No.	Name, address, designation, contact id and number, unit or branch	Date & time of receipt of pre-clearance application	Nature of transaction (e.g. purchase or sale)	Estimated number of securities indicated in the application	Estimated consideration value indicated in the application
01.	02.	03.	04.	05.	06.

Name of the immediate relatives, if the transaction is in the name of the immediate relatives, address and contact details	Date of communication of the clearance by the Compliance Officer	Reasons for non clearance, if not cleared	Number of securities actually traded, if intimated	Remarks	Initials
07.	08.	9.	10.	11.	12.



**Form - VI**  
**Register of waiver of restriction for contra trade**

Sl. No.	Name	Designation & unit/address	Name of the immediate relatives, if the securities held in the name of immediate relative	Date & type of contra trade	Number of securities
01.	02.	03.	04.	05.	06.

Consideration Value	Reasons for waiver	Date of waiver	Remarks
07.	08.	09.	10.

**Form - VII**

**Disclosure by designated person with regard to their immediate relatives and persons with whom they share a “material financial relationship”**

**A) Continual disclosure (within 30 days from date of any changes or within 30 days of end of financial year)**

Name (designated person/ immediate relative/ person with whom designated person shares a material financial relationship)	Relationship	PAN or any other identifier authorized by law	Phone / Mobile Number	Email ID
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**B) One-time disclosure by Designated Person**

Educational Institute from which the designated person has graduated	
Names and address of past employers	

Signature:

Name:

Address :

E-mail:

Ph No:

Place:

Date:

**Definition as per the regulation:-**

- 1) **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.
- 2) The term **Material Financial Relationship** means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift 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.

# SALEM ERODE INVESTMENTS LTD.

Reg. Office: Door No: 61/A8 (38/A8) VJP  
Panjatham Apartments, 1st Avenue, Ashok  
Nagar, Chennai, Tamil Nadu - 600033

Corp. Office: V.K.K. Building, Main Road,  
Thiruvananthapuram, Thiruvananthapuram - 695012

CIN NO. L31200TN1931PLC145816

## ***Policy for determination of materiality and disclosure of material events/information of Salem Erode Investments Limited, as approved by the Board of Directors vide. meeting held on 14<sup>th</sup> day of February, 2023.***

### **I. Background**

Salem Erode Investments Limited ("the Company") is an emerging financial services providing Company established and emerged in 16.05.1931 with a registration under the Companies Act, 1913 and expanded its operation into Non-Banking Financial Sector in 1998 with the approval of Reserve Bank of India. Presently, the Company is planning to expand and diversify its operations to different parts of the Country in the coming financial years.

As mandated under regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is required to frame a policy for determination of materiality, based on the criteria as specified in the said regulation. To make accurate and timely disclosure of events/information on material events, the Board of Directors of the Company vide. meeting held on 14<sup>th</sup> day of February, 2023 has revised and adopted following policy for determination of materiality and disclosure of material events/information under regulation 30 read with Part A of Schedule III of Listing Regulations.

### **II. Objective**

Events or information are categorized under this policy as upon its occurrence, and upon application of the guidelines/criteria for determination of materiality as referred in Listing Regulations and such other information/events which are necessary to enable the holders of securities of the Company to appraise the position of Company and to avoid establishment of a false market in such securities. The policy is intended to provide guidance to the Board of Directors, Key Managerial Personnel and other senior executives of the Company for determination of materiality and in making decision to disclose events/information which may have bearing on the performance of the Company and may materially affect share price of the Company. This policy is framed for the purpose of systematic identification of a particular event/information of the Company as material, categorization, its disclosure,



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cs@salemerode.com

www.salemerode.com



A SUBSIDIARY COMPANY  
OF ICL FINCORP LTD

instances to avoid establishment of false market, review, authorization, disclosure of events or information in respect of subsidiaries, which are considered material to the Company and updation of website.

### **III. *Applicability***

The policy shall be applicable to the Board of Directors, Key Managerial Personnel and other senior executives of the Company. The policy shall be effective from 14.02.2023 to next meeting in which policy is revised.

### **IV. *Authorization for determination of materiality and disclosure***

Pursuant to regulation 30(5) of the Listing Obligations, the Board of Directors of the Company shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the Company's website.

### **V. *Compliance Officer***

The Compliance Officer for the purpose of complying with the provisions of Listing Regulations shall be the Company Secretary of the Company from time to time and the Compliance Officer shall ensure disclosures made under this policy are disseminated on the website of the Company. The Compliance Officer shall advise and assist the Board or other Key Managerial Personnel to determine the materiality of an event or information under this policy and the provisions of Listing Regulations.

### **VI. *Guidelines/criteria for determination of materiality***

The following are the criteria or guidelines to be applied in respect of determination of materiality:

- 1) The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly;
- 2) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;

- 3) In case where the criteria of an events/information' does not fall in the first two categories, but still in the opinion of the Board of Directors are considered material.

## **VII. Scope**

The Board of Directors of the Company or authorized KMPs shall classify events/information as follows:

- 1) Category A - To be disclosed to stock exchanges upon the conclusion of meetings of Board of Directors of the Company;
- 2) Category B - To be disclosed to stock exchanges upon its occurrence without any application of the criteria/guidelines for materiality under this policy;
- 3) Category C - To be disclosed to stock exchanges upon application of guidelines for materiality and limit as mentioned under the respective event/ information;
- 4) Category D - To be disclosed to stock exchanges upon its determination of materiality by the Board or KMPs, as the case may be.

Any other information or events other than those are categorized in the policy but may be considered material in opinion of Board from time to time, shall be disclosed to stock exchange within 24 hours of such decision or determination as material by the Board.

### **Category A**

Outcome/decision of meetings of the Board of Directors shall be disclosed to the stock exchanges, **within 30 minutes of the closure of the meeting**, held to consider the following:

- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- b) any cancellation of dividend with reasons thereof;
- c) the decision on buyback of securities;

- d) the decision with respect to fund raising proposed to be undertaken;
- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any former manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- g) short particulars of any other alterations of capital, including calls;
- h) financial results;
- i) decision on voluntary delisting by the Company from stock exchanges.

**Category B**

The following events/information which shall be disclosed without any application of the guidelines for materiality to the stock exchanges **within 24 hours from the occurrence of such events/information:**

- a) Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.

Explanation: - For the purpose of this sub-para, the word 'acquisition' shall mean –

- i. acquiring control, whether directly or indirectly; or,
- ii. acquiring or agreeing to acquire shares or voting rights in a Company, whether directly or indirectly, such that –
  - a. the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said Company, or;

- b. there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said Company.
- b) Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities, etc.
- c) Revision in Rating(s).
- d) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- e) Fraud/defaults by Promoter or Key Managerial Personnel or by the Company or arrest of Key Managerial Personnel or Promoter.
- f) Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

In case of resignation of an Independent Director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

- i. Detailed reasons for the resignation of Independent Directors as given by the said Director shall be disclosed by the Company to the stock exchanges. Names of listed entities in which the resigning Director



holds directorships, indicating the category of directorship and membership of board committees, if any shall also be intimated.

- ii. The Independent Director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- iii. The confirmation as provided by the Independent Director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause (i) & (ii) above.
- g) Appointment or discontinuation of share transfer agent.
- h) Corporate debt restructuring.
- i) One-time settlement with a bank.
- j) Reference to BIFR and winding-up petition filed by any party/creditors.
- k) Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.
- l) Proceedings of Annual and Extraordinary General Meetings of the Company.
- m) Amendments to Memorandum and Articles of Association of Company, in brief.
- n) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- o) The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
  - i. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - ii. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;

- iii. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - iv. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - v. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - vi. Appointment/Replacement of the Resolution Professional;
  - vii. Prior or post-facto intimation of the meetings of Committee of Creditors;
  - viii. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - ix. Number of resolution plans received by Resolution Professional;
  - x. Filing of resolution plan with the Tribunal;
  - xi. Approval of resolution plan by the Tribunal or rejection, if applicable;
  - xii. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- p) Initiation of Forensic audit.
- q) Any other material information not involving commercial secrets.

**Category C**

The following events/information' are considered as a material in the view of the Board of Directors upon application of guidelines for materiality, which

shall be disclosed to stock exchanges within 24 hours from the occurrence of such events/information:

- a) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division:

Commencement or any postponement in the date of commencement in commercial operation of new business vertical or line shall be material, if such new business vertical was approved by the Board of Directors of the Company.

- b) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).

- i. Any change in the general character or nature of business brought either by way of strategic tie-ups or new technology absorption or new vertical attributed to more than 25% of total turnover in a financial year;
- ii. Adoption or approval of new business vertical or line by the Board of Directors and if such new business line or vertical's projected turnover is more than 15% of turnover in the preceding audited financial statements;

Illustration: In case of a new business commenced January 01, 2023, the projected turnover of next complete financial year viz. 2023-24 shall be taken and be compared to the turnover of financial year 2022-23 audited financials for the materiality test.

- iii. Closure of more than 50 branches as on last day of any calendar quarter.

- c) Capacity addition or product launch.

- i. Opening of more than 100 branches as on last day of any calendar quarter;

- ii. Launch of new products/services other than regular schemes in the normal course of business, if such new products/services' projected turnover more than 2% of turnover in the preceding audited financial statements.

- d) Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.

Any order or contract awarded/bagged/received or executed to/ by the Company and any amendment or termination of such order / contract, which is not in the normal course of business, with the value exceeding 10% of turnover in the preceding audited financial statements.

- e) Agreements(viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.

Any loan agreement as a borrower or any other agreement and its revision or amendment or termination thereof, which is binding the Company but not in the normal course of business with the value exceeding Rs.5 Crores or 25% of total turnover in the preceding audited consolidated financial statements, whichever is higher.

- f) Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

- i. Disruption of operations in any one or more regions of the Company due to natural calamity such as earthquake, flood, force majeure or events such as strikes, lockouts etc. which result in declining of business more than 25% of total business of the Company in the preceding quarter;

- ii. Disruption of operations in any one or more branches of the Company due to fire which result in declining of business more than 25% of total business of the Company in the preceding month.

- g) Effect(s) arising out of change in the regulatory framework applicable to the Company.

Any change in Companies Act and rules made thereunder, listing related regulations, SEBI Act, RBI Act and rules, regulations, orders, circulars,

guidelines made thereunder/issued by the SEBI, RBI from time to time, Direct and Indirect Tax Laws, Anti-Money Laundering/Anti-Corruption Laws, Indian Arbitration Laws, Money Lenders Act of respective states, Insurance Laws, Foreign Exchange Management Law, Central and States Labour, Economic and Employment Laws which results in material change in the general character of business of the Company and such material change in the general character of business shall be determined either by authorized Key Managerial Personnel jointly or by the Board, case to case.

h) Litigation(s)/dispute(s)/regulatory action(s) with impact.

Any Quasi-Judicial Appellate Tribunals, High Courts and Supreme Court orders/judgements under the litigation or final and binding award of Arbitrator/s under the contractual dispute; or any action taken by RBI, SEBI, Stock Exchanges, FIU, Stock Exchange/s, Depositories which adversely or favorably impact the business more than 25% of total turnover of the Company in the preceding audited consolidated financial statements.

i) Fraud/defaults etc. by Directors (other than Key Managerial Personnel) or employees of Company.

Any fraud or default, by the Directors of the Company other than Managing Director, Executive Director, Chief Financial Officer, Company Secretary or employees of the Company, which adversely impact the business more than 5% of total turnover of the Company in the preceding audited consolidated financial statements.

j) Options to purchase securities including any ESOP/ESPS Scheme.

Approval of ESOP or ESPS scheme by the Board of the Directors, other than approval for re-issue of lapsed options or schemes.

k) Giving of guarantees or indemnity or becoming a surety for any third party.

Approval of Board of the Directors to give guarantee or provide security/indemnity or become a surety in respect of loan taken by any third party other than subsidiaries of the Company and if such guarantee or security or indemnity or surety is more than 25% of net worth of the Company in the preceding audited consolidated financial statements.

l) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

- i. Obtaining registration, license or approval from RBI, SEBI, CDSL, NSDL, BSE and such other regulators in respect of new business vertical or new line of business;
  - ii. Withdrawal, surrender, cancellation or suspension of above such registration, license or approval or any existing registration, license or approval of RBI, SEBI, CDSL, etc. which comes into effect.
- m) Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc.

**Category D**

In the view of the Board, any other events/information shall be considered material upon application of the following yardsticks, which shall be disclosed to stock exchanges within 24 hours of determination of materiality by the Board or authorized KMPs jointly, as the case may be.

- a) any other information/event which is likely to affect business;
- b) any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position;
- c) any other information which may be necessary to avoid the establishment of a false market in securities of the Company

**Category E**

Any other events/information with respect to subsidiaries of the Company which may in the opinion of the Board or authorized Key Managerial Personnel, as the case may be, considered or determined as material for the Company which shall be disclosed to stock exchange within 3 working days of its consideration or determination as material.

**PROVIDED THAT** authorized Key Managerial Personnel or Board of Directors, as the case may be, at their option or decision, disclosure can be made to stock exchanges in respect of any of above categorized events/information even though such events or information are not considered material under this policy

**PROVIDED FURTHER THAT** in case of any ambiguity or lack of clarity for determination of materiality in respect of any of above events/information by authorized Key Managerial Personnel, the same may be referred to Board of Directors for determination.

**VIII. Authorization to KMPs to suo-moto acceptance/denial of reported event/information**

The Key Managerial Personnel as authorized by the Board are hereby jointly or severally authorized to suo-moto accept/deny any reported event or information, which has been unauthorized, made public by media or by any other means including but not limited to electronic means. The said persons are further authorized to respond to the rumors amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by said persons shall however, be brought to the attention of the Board of Directors at its subsequent meeting.

**IX. Website updation**

The Company shall update all disclosures made under the Listing Regulations and the policy to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention/archival policy of the Company.

**X. Review and amendment of policy**

This policy will be guided by terms of reference as decided by the Board of Directors of Company from time to time and subject to the requirements under the Listing Regulations or such other acts, rules, regulations or guidelines. This policy can be reviewed and modified, as and when deemed necessary, by the Board of Directors of the Company.

By order of Board,  
**For Salem Erode Investments Limited**



**K.G. Anilkumar**  
**Managing Director**  
(DIN: 00766739)

Place: Irinjalakuda  
Date: 14.02.2023