SALZER ELECTRONICS LIMITED

CIN: L03210TZ1985PLC001535
Registered Office: Samichettipalayam,
Coimbatore – 641 047, Tamil Nadu, India
Tel: +91– 422 – 4233 600; Fax: +91–422 – 2692 170

Email: murugesan@salzergroup.com,
Website: www.salzergroup.com

REVISED CODE OF CONDUCT
TO
REGULATE, MONITOR
AND
REPORT TRADING
BY
INSIDERS

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

Approved by the Board on April 01, 2015 and last reviewed on May 24,2025

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

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

OBJECTIVE OF THE CODE

This Code of Conduct ("Code") is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by Insiders and Connected Persons.

The existing Code of Conduct approved by the Board of Directors and currently in vogue will be replaced by the new Code, effective from May 15, 2015.

PREAMBLE

1. SEBI has notified a new Regulation for prohibition of Insider Trading, viz., SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulation"), effective from May 15, 2015 The new Code is applicable to all listed entities and the Code should be adopted by the respective Companies(entities) and Code should confirm to the Minimum Standards for Code of Conduct to regulate, monitor and report Trading by Insiders as set out in Schedule B of the Regulation.

   Accordingly, the Board of Directors of the Company at their meeting held on April 01, 2015 have approved and adopted the Code.

2. DEFINITIONS

a) "**Act**" means the Securities and Exchange Board of India Act, 1992.

b) "**Board**" means the Board of Directors of the Company.

c) **"Company"** means Salzer Electronics Limited.

d) **"Compliance officer**" means Company Secretary or any other senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

e) **"Connected Person**" means,-

(i) any person who is or has during the 6 months prior to the concerned Act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with the officer/ Employees 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/herself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.

(ii) In addition to the above, the following category of persons shall be deemed to be Connected Persons unless the contrary is established:

i. an Relative of Connected Persons specified in clause (i); or
ii. a holding company or associate company or subsidiary company; or
iii. an intermediary as specified in section 12 of the Act or an employee or director thereof; 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 or an employee, of a public financial institution as defined in section 2 (72) of the Act; 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 a company or his Immediate Relative or banker of the company, has more than 10% of the holding or interest.

f) **"Employee"** means every Employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

g) **"Designated Persons** shall mean:

a. Promoters and Members of the Promoter Group
b. Directors of the Company
c. All employees three tiers below Board Level
d. Employees in the Corporate Finance Department as designated by the Chief Financial Officer

e. Employees in the Secretarial Department as designated by the Company Secretary f. Employees in the Information Technology Department as designated by the functional head jointly with the Compliance Officer
f. Executive assistants / confidential secretaries to persons mentioned under (a) to (c) supra
g. Any other Insider / Connected person as may be specified by the Compliance Officer or Managing Director from time to time

h) **"Derivative"** " includes—

(i) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;

(ii) a contract which derives its value from the prices, or index of prices, of underlying securities

i) **"Director"** means and includes every Director on the Board of the Company.

j) **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis. Information published on the website of a stock exchange, would ordinarily be considered generally available.

k) **"relative"** shall mean the following:

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

l) **"Insider**" means any person who is:

i. a Connected Person; or
ii. In possession of or having access to UPSI.

m) **"Key Managerial Personnel"** shall include the following personnel:

i. Managing Director, Manager or Chief Executive Officer;
ii. Company Secretary
iii. Whole-time Director; and
iv. Chief Financial Officer.

n) **Legitimate Purpose** means sharing UPSI in the ordinary course of business with partners, collaborators, lenders, legal advisors, auditors, etc. on a need-to-know basis

o) **"Non- Trading Period"** means:

(i) the period, i.e., the number of working days, before and after the date of a meeting of the Board or shareholders of the Company where 'UPSI' (as defined in point (z) below) is to be considered as provided under Clause VI of the Code; or

(ii) Such other period(s) as may be decided and notified by the Compliance Officer.

p) **"Promoter"** means a person defined as a Promoter under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

q) **"Securities Exchange Board of India"**means the regulatory body for the investment market in India, constituted under the resolution of the Government of India in the Department of Economic Affairs.

r) **"SEBI (LODR) Regulations"** means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 including its amendments

s) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.

t) **"Specified"** means specified by SEBI in writing.

u) **"Stock Exchanges"** shall include BSE Limited (BSE) and National Stock Exchanges Limited (NSE) where the Securities of the Company are currently listed.

v) **"Takeover Regulations"** means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

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

x) **"Trading Day"** means a day on which the recognized stock exchanges are open for Trading.

y) **"Trading Plan"**shall mean a plan for trades to be executed in the future by persons who have perpetual access to the UPSI.

z) **"Trading Window"**shall mean the window available for Trading in the securities of the Company.

aa) **"Unpublished Price Sensitive Information"** shall mean the information as defined in Regulation 2(n) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3. TRADING BY INSIDERS– COMMUNICATION/RESTRICTIONS/EXEMPTIONS

3.1 Communication of UPSI:

3.1.1 No Insider shall communicate, provide or allow access to UPSI, relating to the Company or its Securities, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

3.1.2 No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or its Securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

3.1.3 The Insiders who are in possession of UPSI are required to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.

3.2. POLICY ON COMMUNICATION OF UPSI

3.2.1 UPSI shall be communicated only for legitimate purposes, performance of duties, or discharge of legal obligations.

3.2.2 A policy on "Legitimate Purposes" is annexed and forms part of this Code as **Annexure I.**

3.2.3 Any person receiving UPSI must execute confidentiality and non-disclosure agreements

3.2.4 Structured Digital Database **(**SDD**)** must be maintained containing names of persons with whom UPSI is shared and reasons for such sharing. This database shall be maintained for 8 years.

4 DATABASE MANAGEMENT

4.1 The Board of Directors shall ensure that a structured digital database is maintained containing the nature of Unpublished Price Sensitive Information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under the Regulations. Minimum information of such persons / entities including but not limited to Permanent Account Number, immediate relatives, material financial relationship, contact numbers, educational institutions, details of past employers, in case of non-availability of Permanent Account Number, then any other identity authorized by law, shall be maintained in the Database.

4.2 The database shall be maintained as per the requirements of applicable rules / regulations with the adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

4.3 Information as contained in the database shall be maintained for a minimum period of 8 years after completion of relevant transaction 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**.**

5 *COMPLIANCE OFFICER*

5.1 The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Board and shall provide reports to the Chairman of the Audit Committee at such frequency as may be stipulated by the Board.

5.2 The Compliance Officer shall prior to approving any trade, be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

5.3 The Compliance Officer and be responsible for:

- Monitoring trades,
- Pre-clearance approvals,
- Maintenance of SDD,
- Reporting violations,
- Submitting reports to the Audit Committee.

5.4 **Trading Plan:**

5.4.1 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.

5.4.2 Trading shall be commenced only after six months from the public disclosure of the Trading Plan.

5.4.3 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of the Regulation.

5.4.4 The Compliance Officer shall have the right to seek express undertakings to enable assessment of the Trading Plan and approve the same.

5.4.5 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily implement without any deviation.

5.4.6 The Securities outside the scope of Trading Plan shall not be dealt with by the Insiders.

5.4.7 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. In such event, the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes Generally Available Information.

5.4.8 The Trading Plan shall not overlap any period for which another trading plan is already in execution.

5.4.9 The Trading Plan shall state the following:

- Value of trade / number of securities;
- Nature of trade;
- Intervals / dates of effecting such trades

5.4.10 The Trading Plan shall not entail Trading in Securities for market abuse.

5.4.11 The Trading plan shall be disclosed to stock exchanges

5.5 **Disclosure of Trading Plan:**

5.5.1 Upon approval of the Trading Plan, the Compliance Officer shall notify the Trading Plan to the Stock Exchanges.

5.6 **Pre- Clearance of Trade:**

5.6.1 All Designated Persons shall when the Trading Window is open, trade only subject to pre- clearance by the Compliance Officer, by sending the request for approval in **Form No. I.** The request can be sent by email to baskarasubramanian@salzergroup.com. No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the Trading Window is not closed.

5.6.2 The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

5.6.3 The Compliance Officer shall have the authority to ask for further information, if deemed necessary and it shall be obligatory for the Designated Person to immediately furnish the information sought for by the Compliance Officer.

5.6.4 Prior to approving any trade, the Compliance Officer shall be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

5.6.5 The trades that have been pre-cleared shall be executed in not more than seven Trading Days by the Designated Person, failing which fresh pre-clearance would be needed for the trades to be executed.

5.6.6 Designated Persons who have obtained the pre- clearance are required to submit a report of the transactions done (including a NIL report, if no transaction is done) within seven days from the expiry of the specified time period to Compliance Officer in form and manner as specified in **Annexure :II** of the Code.

5.6.7 The format for making application for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals are provided in Schedule **I** of the Code.

5.7 **Other Restrictions:**

5.7.1 All Designated Persons who buy or sell Securities of the Company shall not enter into an opposite transaction (contra trade) i.e. sell or buy Securities during the six months period post the previous buy/sell.

5.7.2 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 the Regulation.

5.7.3 If an opposite transaction (contra trade) is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

6 TRADING OF SECURITIES OF THE COMPANY

6.1 **Trading while in possession of UPSI:**

6.1.1 No Insider shall trade in securities of the Company when in possession of UPSI, provided that the Insider may prove his/her innocence by demonstrating the circumstances including the following:

- The transaction is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of restrictions imposed on communication and Trading by Insiders and both parties had made a conscious and informed trade decision.
- In case of non- individual Insiders :

a. The individuals who were in possession of such UPSI were different from the individuals taking Trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and

b. Appropriate and adequate arrangements were in place to ensure that the Regulation is not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking Trading decisions and there is no evidence of such arrangements having been breached.

- The trades were pursuant to a Trading Plan set up in accordance with the Regulation/Code.

6.1.2 In the case of Connected Persons the onus of establishing, that they were not in possession of UPSI, shall be on such Connected Persons and in other cases, the onus would be on SEBI.

6.1.3 SEBI may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of the Regulation.

7 NON- TRADING PERIOD / CLOSURE OF TRADING WINDOW

7.1 The Company shall specify a period, to be called "Non-Trading Period", for Trading in the Company's Securities. Any other period shall be Trading Period for the purpose of this Code. Designated Persons and their Immediate Relatives shall not trade in Company's Securities during the Non -Trading Period**.**

7.2 The Compliance Officer shall by way of e- mail, communicate the date of Board Meeting to the Designated Persons. It shall be the onus of the Designated Persons to communicate the Non- Trading Period to their Immediate Relatives.

7.3 The Trading Window shall be closed:

- From the end of the quarter until 48 hours after declaration of financial results,
- At least 7 days before the board meeting involving UPSI,
- During other UPSI-related events.

7.4 In case of ESOPs, the exercise of an option may be allowed during the Non-Trading Period. However, sale of Securities allotted on the exercise of ESOPs shall not be allowed during Non-Trading Period.

8 DISCLOSURES OF TRADING BY INSIDERS

8.1 **General provisions:**

8.1.1 Every public disclosure under this Clause shall be made in such form as may be specified by SEBI from time to time.

8.1.2 The disclosures to be made by any person shall include those relating to Trading by such person, Immediate Relatives, and by any other person for whom such person takes Trading decisions.

8.1.3 The disclosures of trading in securities shall also include trading in derivatives of Securities and the traded value of the Derivatives shall be taken into account for the purposes of arriving at the value of trade, subject to trading of such Derivatives is permitted by any law for the time being in force.

8.2 **Disclosure by certain persons:**

8.2.1 Every Promoter, Key Managerial Personnel, and Director of the Company shall disclose his/her holding of Securities of the Company as on the date of the Regulation taking effect i.e. May 15, 2015 or such other date(s) as may be notified by SEBI, to the Company within 30 days of the Regulation taking effect.

8.2.2 Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his/her holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 days of such appointment or becoming a Promoter.

8.2.3 Company, at its discretion shall require any other Connected Person or class of Connected Persons to make disclosures of holdings and Trading in Securities of the Company in such form and at such frequency as may be determined by the Company in order to monitor compliance with the Regulations.

8.3 **Continual Disclosure:**

8.3.1 Every Promoter, Employee and Director of the Company shall disclose to the Company;

8.3.2 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 Rs. 10,00,000 or such other value as may be specified.

8.4 **Disclosure by the Company:**

Company shall notify the particulars of such Trading (mentioned in Clause 7.3 above) to the Stock Exchanges within two Trading Days of receipt of the disclosure or from becoming aware of such information.

8.5 **General Declaration**

Every person on becoming a Designated Person shall disclose the names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company in Form _ on date of the appointment or becoming a Promoter or member of Promoter Group and thereafter on an annual basis and as and when the information changes pertaining to

a. Immediate relatives

b. Persons with whom such designated person(s) shares a Material Financial Relationship c. Phone, mobile and cell numbers which are used by them

9 INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING (INTERNAL CONTROLS)

The Managing Director/ Joint Managing Director shall ensure that adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent insider trading. Internal controls shall include the following:

- All employees who have access to UPSI are identified as Designated Person. The details of such Designated Person shall be included in the structured digital database maintained by the Company as required under the Regulations. A person shall continue to be identified as a Designated Person for as long as he is in possession of UPSI.
- All UPSI shall be identified, and its confidentiality shall be maintained as per the requirements of the Regulations.
- Adequate restrictions shall be placed on communication or procurement of UPSI as required by the Regulation.
- Departments like Finance, Information Technology, Secretarial, etc., which handle price sensitive information shall be isolated from other common places which have public access with a view to prevent leakage of information.
- List of 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.
- Periodic process review to evaluate effectiveness of the internal controls**.**

10 PROCEDURE FOR DISCLOSURE AND INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UPSI

10.1 **Protected Disclosur**e shall mean:

- A written communication made in good faith by any person, disclosing information regarding a leak or suspected leak of UPSI.

- OR, a situation where no written complaint is received, but the leak or suspected leak is otherwise known publicly (e.g., social media, news, etc.).

10.2 Reporting and Contact Details

- All Protected Disclosures should be reported in writing to the Chief Financial Officer (CFO).
  Chief Financial Officer
  Salzer Electronics Limited
  Samichettipalayam, Coimbatore – 641047

  Email: rajesh@salzergroup.com

- If the Protected Disclosure involves the CFO or Managing Director, the matter should be addressed to the Chairman of the Audit Committee, through the Company Secretary.
  Chairman – Audit Committee
  c/o Compliance Officer / Company Secretary
  Salzer Electronics Limited
  Samichettipalayam, Coimbatore – 641047

10.3 Suo-Moto Action

If no formal complaint is received but a leak is suspected or known publicly, the CFO or Audit Committee Chairman may suo-moto take cognizance of the issue and initiate necessary investigation procedures.

10.4 Guidelines for Protected Disclosure

- Should preferably be typed or clearly handwritten in English or local language.
- Should be factual, not speculative or opinion-based.
- Must include as much specific information as possible.
- Should be submitted under a covering letter that includes the identity of the discloser.
- Anonymous disclosures will not be entertained.
- The CFO will detach the covering letter before initiating further action.

10.5 Preliminary Review

- The CFO shall make initial inquiries to assess whether the complaint has merit.
- If the disclosure is found baseless, the matter may be dismissed and the decision documented in writing.
- If further investigation is required, a formal investigation process will be initiated.

10.6 Investigation Procedure

10.6.1 Formation of Committee

- The CFO may investigate the matter himself or constitute a Committee, in consultation with the Managing Director.
- If the CFO and/or MD are involved or unavailable, the Audit Committee shall directly form the Committee.

The Committee may include:

- Board Members
- Senior Executives and
- External Experts with required competence

10.6.2 Principles of Investigation

- Neutral, unbiased, fact-based, and compliant with legal and ethical standards.
- Identities of the subject and discloser will be kept confidential, as far as possible.
- The subject (Person under Investigations) shall:
  - Be informed of allegations,
  - Have a chance to provide inputs,
  - Not interfere with the investigation,
  - Not destroy evidence or influence witnesses.
- The Committee shall:
  - Document findings in a written report,
  - Normally complete the investigation within 30 days, extendable if necessary.

10.7 **Outcome and Reporting**

Upon conclusion of the investigation, the CFO / Committee shall submit findings to The Chairman of the Audit Committee, who will deliberate with the Committee and decide the Course of Action:

a. If the leak is proven:

- Accept findings,
- Take disciplinary or preventive action (e.g., suspension, termination),
- Report actions to the Managing Director if possible.

b. If the leak is not proven:

- Close the matter,
- Consult the subject before making any public disclosures, if necessary.

c. For Serious Cases:

- Refer the matter to the Board of Directors with recommendations for action, which may include:
  - Legal proceedings,
  - Police complaints,
  - Any other corrective measures.

10.8 **Final Reporting**

The Chairman of the Audit Committee shall report the matter and its outcome to the Board of Directors, including:

- Details of the leak/suspected leak,
- Nature of the investigation,
- Findings and final actions taken.

11 PENALTY FOR CONTRAVENTION OF THE CODE

11.1 Any Employee who trades in Securities or communicates any information for Trading in Securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.

11.2 Employees of the Company who violate this Code shall also be subject to disciplinary action by the Company, which may include monetary fine, wage freeze, suspension, ineligibility for future participation in ESOP, etc. at the sole discretion of the Company.

11.3 The penalty provisions for violation or non - compliance of the Code are given in Annexure III. The action taken by the Company in terms of the penalty provisions shall not precludes SEBI from taking any action in case of violation of the Regulation.

12 INFORMATION TO SEBI IN CASE OF VIOLATION AND CONSEQUENCES OF DEFAULT UNDER SEBI REGULATIONS

12.1 In case it is observed by the Compliance Officer that there has been a violation of this Code by any person, then the violation shall be informed by the Compliance Officer to the Board promptly.

12.2 Under Section 15G of the SEBI Act, 1992, any Insider who indulges in Insider Trading in contravention of regulation 3 of the Regulation, is liable to a penalty of upto Rs.25 Crore or three times the amount of profits made out of Insider Trading whichever is higher (or such amount as may be amended from time to time by SEBI) that may be imposed by SEBI.

13 REPORTING

The Compliance Officer will submit a report to the Chairman of Audit Committee, instances of violation of the Code or the Regulation by any person and on the disclosures, Trading Plans and pre- clearances approved and rejected on the basis of information furnished at a frequency as may be stipulated by the Board.

14 AMENDMENT

The Managing Director/Joint Managing Director is authorized to make minor modifications to this Code which will remove ambiguities, enhance clarity on the provisions of the Code etc.

In case of any major changes to the Policy, the Board of Directors shall amend this policy, as may be required to be in line with the changes, amendments and modifications if any in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Further, in case of any amendment, clarification, circular, notification etc. issued by a competent authority, which is not consistent with the provisions laid down under this Policy, the provisions of such amendment, clarification, circular, notification, etc. shall prevail and this policy shall stand amended accordingly, without any further action, on and from the date on which such amendment, clarification, circular, notification comes in to effect..

15 CONCLUSION

All Designated Persons are advised to familiarize themselves with the SEBI Regulations and comply with the same, as well as with this Code; both in letter and in spirit. Designated Persons are also advised to ensure compliance by their Immediate Relatives.

For any assistance or clarifications, kindly contact the Compliance Officer of the Company at murugesan@salzergroup.com or at the following address Compliance Officer, Salzer Electronics Limited, Samichettipalayam, Coimbatore -641 047.

Annexure: I - Policy on Legitimate Purpose

This policy is intended to ensure that Unpublished Price Sensitive Information (UPSI) is shared strictly for legitimate purposes as defined under Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

1. Legitimate Purpose: UPSI may be shared only when it is necessary in the ordinary course of business, including:

- With partners, collaborators, lenders, customers, suppliers,
- Legal, audit and tax advisors,
- Credit rating agencies,
- Merchant bankers, registrars, and underwriters,
- Potential investors and strategic partners,
- Any regulatory, statutory or governmental authority.

2. Process for Sharing UPSI:

- The person sharing the information must ensure the recipient has signed a confidentiality agreement or NDA.
- UPSI should be disclosed only on a need-to-know basis.
- The details of persons with whom UPSI is shared shall be entered in the Structured Digital Database.

3. Review and Enforcement:

- The Compliance Officer shall periodically review all UPSI sharing for adherence.
- Non-compliance will be treated as a violation of the Code and SEBI Regulations.

Annexure: II - Reporting of Pre-clearance Trade

Format for Pre-Clearance Application

(To be submitted to the Compliance Officer)

Date: _____

To
The Compliance Officer
[Company Name]

Subject: *Application for Pre-Clearance of Trade in Securities*

I, [Name], [Designation], hereby seek your approval to trade in the securities of the Company as per details below:

1. **Name of the applicant:**
2. **Designation:**
3. **Relationship with the Company:** (e.g., Director / KMP / Employee)
4. **Number and value of securities held as on date:**
5. **Folio No. / DP ID / Client ID:**
6. **Proposed transaction:** (Buy/Sell/Subscribing/Other – please specify)
7. **Estimated number and value of securities proposed to be traded:**
8. **Trading account details:**
9. **Proposed date of dealing in securities:**
10. **Trading window status (Open/Closed):**
11. **Undertaking:** I confirm that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information (UPSI). If I receive any UPSI after submitting this application but before the execution of the trade, I shall inform the Compliance Officer and refrain from trading until such information becomes public.

Signature:
Name:
Employee Code (if any):

Post Trade Confirmation Format

(To be submitted within 2 trading days of execution)

To
The Compliance Officer
[Company Name]

Subject: *Trade Confirmation – Pre-Cleared Trade*

I, [Name], hereby confirm that the trade pre-cleared by you on [Date of Approval] was executed as follows:

- **Date of execution:**
- **Type of transaction:** Buy/Sell
- **Number of securities traded:**
- **Price:**
- **Broker details:**

In case the trade was **not executed**, please mention:

Trade was not executed due to _____

Signature:
Name:
Date:

Annexure : 3 - Penal provisions

In terms of the Code, the Company will take appropriate disciplinary action against the defaulters for not complying with the Code. Please note that the following action shall be taken for any non-compliance with the code in addition to the actions that may be taken by SEBI or other authorities.

1	**Not obtaining pre-clearance for trading (buying/selling) in the Securities*** First instance: Warning Second instance: A fine of upto 1% of the gross value of the transaction Third instance: A fine of upto 5% of the gross value of the transaction Fourth instance: Action as may be decided by the Board of Directors *(* this includes trading in Securities above the approved limits)*
2	**Delay in reporting / declaring transactions (buy/sell) in the Securities within the stipulated time (including a 'nil' report):** First instance: Warning Second instance: A fine of Rs. 1,000/- per day of default upto the first 10 days of default Third instance: A fine of Rs. 2,000/- per day of default upto the first 10 days of default Fourth instance: Action as may be decided by the Board of Directors *Note: The amount of fine payable for any delay under this category beyond the first 10 days of default would be decided by the Board of Directors.*
3	**Trading during non-trading period (when the trading window is closed)** First instance: Warning Second instance: A fine of 5% of the gross value of transaction Third instance: A fine of 10% of the gross value of transaction Fourth instance: Action as may be decided by the Board of Directors
4	**Any other non-compliance with the Code:** Appropriate action as may be decided by Board of Directors

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