

AI CHAMPDANY INDUSTRIES LIMITED

Model Code of Conduct as per SEBI (Insider Trading) Regulations, 1992

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended w.e.f. 20/2/2002 stipulates that all listed companies and organizations associated with securities markets shall frame a code of internal procedures and conduct as near there to the model code specified in schedule I of these regulations.

Accordingly, the company has prepared a draft model code of conduct, to be observed by all the directors, designated employees or such other persons as may be found necessary so as to prevent any insider trading in the company's shares. The said code of conduct is enclosed herewith for the perusal of the Board and for adoption at the Board Meeting.



AI CHAMPDANY INDUSTRIES LIMITED

MODEL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

1. Compliance Officer

- (i) The Company has appointed the Company Secretary as Compliance Officer who shall report to Mr Nirmal Pujara, Director of the Company.
- (ii) The Compliance Officer shall be responsible for setting forth the policies, procedures, monitoring, adherence to the rules for the preservation of "Price Sensitive Information". Pre-clearing, of designated employees' and their dependents' trades, monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the Company.
- (iii) This code of conduct is applicable to all directors and designated employees of the Company. Designated employees shall include (a) officers comprising the top three tiers of the company management and all employees in the finance department. (b) the employees designated by the company to whom these trading restrictions shall be applicable keeping in mind the objectives of this code of conduct. Hence at present this code shall be applicable to Group President, President (FYU), C.E.O.(Middle Mill), CEO (Jute), Company Secretary & Finance Controller, Commercial Manager, Mill Manager and other officers in Finance & Accounts Department of the Company.
- (iv) The Compliance Officer shall maintain a record of all the directors and the designated employees and any change made subsequently.
- (v) The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 and the Company's code of conduct.

2. **Preservation of "Price Sensitive Information"**

- (i) Directors and employees shall maintain the confidentiality of all Price Sensitive Information. Directors/employees shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
- (ii) Price Sensitive Information is to be handled on a "need to know" basis. Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.
- (iii) Files containing confidential information shall be kept in secure position. Computer files must have adequate security of login and pass word etc.

3 **Prevention of misuse of "Price Sensitive Information"**

All directors/officers and designated employees of the Company shall be subject to trading restriction as mentioned below:

- (i) The Company shall specify the trading period to be called "**Trading Window**", for trading in the Company's securities. The **trading window** shall be closed during the time the information referred to in para 3 (iii) is unpublished.
- (ii) When the **trading window** is closed, the directors/employees shall not trade in the Company's securities in such period.
- (iii) The trading window shall, inter alia, be closed at the time:-
 - (a) Declaration of Financial results (quarterly, half-yearly and annually).
 - (b) Declaration of dividends (interim and final)
 - (c) Issue of securities by way of public/rights/bonus etc.
 - (d) Any major expansion plans or execution of new projects.
 - (e) Amalgamation, mergers, takeovers and buy-back
 - (f) Disposal of whole or substantially whole of the undertaking
 - (g) Any changes in policies, plans or operations of the Company.
- (iv) The trading window shall be opened 24 hours after the information referred to in para 3 (iii) is made public.

- (v) All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the period when trading window is closed, as referred to in para 3 (iii) or during any other period as may be specified by the company from time to time.

4 Pre-clearance of trades

- (i) All directors/officers/designated employees of the company who intend to deal in the securities of the company **exceeding 5000 equity shares or value of Rs. 5,00,000 whichever is less singly and/or alongwith dependent relatives in any financial year** should pre-clear the transaction as per the pre-dealing procedure as described hereunder.
- (ii) An application may be made in such form as the company may prescribe in this regard (Form No. 1 & E), to the Compliance Officer indicating the estimated number of securities that the director/officer/designated employees intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- (iii) An undertaking (Form No. 5) shall be executed in favour of the company by such directors/officers/designated employees incorporating, inter alia, the following clauses as may be applicable.
- (a) That the director/officer/employee does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
- That in case the director/officer/employee has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, he shall inform the Compliance Officer of the change in his position and that he would completely refrain from dealing in the securities of the company till the time such information becomes public.

- (b) That he has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- (c) That he has made a full and true disclosure in the matter.

5 Other Restrictions

- (i) All directors/officers/designated employees shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given (Form No. 3). If the order is not executed within one week after the approval is given (in Form No. 4), the directors/employees must pre-clear the transaction again.
- (ii) All directors/officers/designated employees shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall also apply to subscription in the primary market.
- (iii) In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after (Form No. 2) recording in writing his reasons in this regard.

6 Reporting Requirements

- (i) All directors/officers/designated employees of the company shall be required to forward the following details of their securities transactions including the statement of dependent family members (self, spouse, son, daughter, father, mother, and any other dependent relatives) to the Compliance Officer.
 - (a) All holding in securities of that company by directors/officers/designated employees at the time of joining the company (in Form No. A)
 - (b) Periodic statement of any transaction in securities (on quarterly basis) (in Form No. B)
 - (c) Annual statement of all holdings in securities (in Form D)

- (ii) The Compliance Officer shall maintain records of all the declaration in the appropriate form given by the directors/officers/designated employees for a minimum period of three years.
- (iii) The Compliance Officer shall place before the Director on a monthly basis all the details of the dealing in the securities by the directors/officers/designated employees of the company and the accompanying documents by that such persons had executed under the pre-dealing procedure as envisaged in this code.

7 Penalty for contravention of code of conduct

- (i) Any director/officer/employee who trades in securities or communicate any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the company such as disciplinary action which may include wage freeze, suspension, intelligibility for future participation in employee stock option plans etc.
- (ii) The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.
- (iii) In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the company.
- (iv) Under section 24 of the SEBI Act, any one who contravene the Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rs. 25.00 crores or with both.

POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSES”

- i) The 'Legitimate Purpose' shall include sharing of Unpublished Price Sensitive Information (UPSI) in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professional or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

The Managing Director /Chief Financial Officer/Company Secretary of the Company severally may determine the names of other entities with whom UPSI may be shared for Legitimate Purpose or other genuine or reasonable purpose from time to time.

- ii) No insider shall communicate, provide, or allow access to any UPSI, relating to a 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.
- iii) No person shall procure from or cause the communication by any insider of UPSI, relating to a Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- iv) Every person who is in receipt of UPSI pursuant to a "Legitimate Purpose" shall be considered an "insider" for the purposes of this Code and due notice shall be given to such person to maintain confidentiality of the UPSI.
- v) All information shall be handled within the organizations 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 to Regulate, Monitor and Report Trading by Designated Persons contain norms for appropriate Chinese Walls Procedures, and processes for permitting any designated person to "cross the wall".
- vi) The Company shall maintain a Structured Digital Database of recipient of such UPSI containing their names, Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, and date and time of sharing such UPSI.
- vii) The Company Secretary & Compliance Officer of the Company shall review the UPSI shared for Legitimate Purposes on regular basis.
- viii) The Managing Director /Chief Financial Officer/Company Secretary severally from time to time may also frame further strictures for sharing of such UPSI including signing of Non-Disclosure Agreements/Confidentiality Agreement to ensure use of UPSI only for legitimate purposes.

Amendments

The policy shall be amended, 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 into effect.