

## BADRIDAS INVESTMENT CO. LIMITED

### CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

1. This Code of Conduct will be known as "BADRIDAS INVESTMENT CO. LIMITED" Code of Conduct for prohibition of Insider Trading" hereinafter referred to as this Code.
2. This Code of Conduct has been made pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, hereinafter referred to as the "Regulation".
3. Applicability

This Code of Conduct will be applicable to Directors/Officers/Designated Employees of BADRIDAS INVESTMENT CO. LIMITED and their Dependent Family Members as defined herein.

4. The definitions as framed in Regulation 2 of Chapter 1 of the Regulations, shall apply and form part of this Code.
  - a) "Act" means the Securities and Exchange Board of India Act, 1992.
  - b) "Body Corporate" means a body corporate as defined under Section 2 of the Companies Act.
  - c) "Board of Directors" means the Board of Directors of the Company.
  - d) "Committee" means the Committee, if any, constituted by the Company for the implementation of these Regulations.
  - e) "Companies Act" means The Companies Act 1956 (1 of 1956).
  - f) "Company" or "the Company" means "BADRIDAS INVESTMENT CO. LIMITED".
  - g) "Compliance Officer" means the Company Secretary for the time being of the Company or the Officer appointed by the Board of Directors of the Company for the purpose of this Code and the Regulations.
  - h) "Dealing in securities" means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent.
  - i) "Dependent Family Members" shall include dependent spouse and dependent children.

Contd..... (2)



- j) "Designated Employees" shall mean all employees comprising the top three tiers of the Company's management, all employees in the Finance and Secretarial Departments and such other employees who may be so designated, from time to time, by the Company for the purposes of this Code and who may be able to have access to any 'price sensitive information' as defined in this Code or the Regulations. Top three tiers of the Company's management shall mean and include Board of Directors, Segment/Functional Directors and employees directly reporting to them.
- k) "Insider" means any person who,
- i) is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company, or
  - ii) has received or has had access to such unpublished price sensitive information.
- l) "Officer of the Company" means any person as defined in Clause (30) of Section 2 of the Companies Act, including the Auditors of the Company.
- m) "Price Sensitive Information" means any information, which relates, directly or indirectly to the Company and which, if published, is likely to materially affect the price of securities of the Company.

Explanation –

The following shall be deemed to be price sensitive information :-

- Periodical financial results of the Company
  - Intended declaration of dividends (Interim and / or Final)
  - Issue of Securities or Buy-back of Securities.
  - Any major expansion plans or execution of new projects
  - Amalgamation, merger or takeover.
  - Disposal of the whole or substantially the whole of the undertaking.
  - Any significant changes in policies, plans or operations of the Company having material impact on the financials of the Company.
- n) "Regulations" means the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended.

Contd..... (3)



- o) "Securities" means Equity (Ordinary) Shares and all other securities of the Company issued and/or to be issued from time to time and listed/ to be listed on the Stock Exchange (s) including derivatives.
- p) "Stock Exchange" means a stock exchange which is recognized by the Central Government of SEBI under Section 4 of Securities Contracts (Regulation) Act, 1956.
- q) "Threshold Limit" means the minimum number of securities as decided by the board of Directors the Company from time to time. Until otherwise resolved by the Board, 5000 equity shares for Members of the Board and 2500 equity shares for Officers and other Designated Employees shall be the Threshold Limit.
- r) "Trading Window" - means a trading period for trading in the Company's Securities as specified by the Company from time to time. All days shall be the Trading Period except those days specified in Clause 9 hereunder.
- s) "Unpublished Information" means information which is not published by the Company or its Agents and is not specific in nature.

#### Explanation

Speculative Reports in print or electronic media shall not be considered as published Information.

- t) "Working day" shall mean the working day when the regular trading is permitted on the concerned stock exchange where the securities of the Company are listed.
- u) Words and phrases not specifically defined herein shall have the same meaning as defined under the Act, Companies Act, and the Regulations as amended from time to time.

#### 5. Compliance Officer

Unless otherwise resolved by the Board of Directors, the Company Secretary for the time being of the Company shall be the Compliance Officer for the purpose of this Code.

#### 6. Functions, duties and responsibilities of the Compliance Officer.

The Compliance Officer shall be subject to the supervision of the Board of Directors of the Company.

Contd..... (4)



The Compliance Officer shall be responsible for –

- Setting forth policies, procedures, monitoring adherence to the Rules for the preservation of Price Sensitive Information, Pre-clearance of Trades of Directors, Officers and Designated Employees and their Dependent Family Members and monitoring of trades and implementation of this Code.
- Maintaining the record of the Directors, Officers and Designated Employees and Incorporate changes from time to time.
- Assisting all employees in addressing any clarifications in the Regulations or this Code.
- Ensuring that all Directors, Officers and Designated Employees of the Company shall conduct their dealings only when the Trading Window is open.
- Ensuring that all Directors, Officers and Designated Employees furnish the details or transactions in the securities of the Company as stated in Clause 7 in the prescribed form and maintain a record of all the intimation received for a period of atleast three years.
- Maintaining records of all declarations as stated in Clause 7 in the prescribed form and to place the same before the Managing Directors or the Joint Managing Director, as the case may be on a monthly basis.
- Obtaining initial and continual disclosures from Directors, Officers and Designated Employees, major shareholders and to give information in respect of the disclosures made to all the Stock Exchanges where the securities are listed, within two working days of receipt.

#### 7. Reporting requirement for transactions in Securities

##### A. By Directors, Officers and Designated Employees

###### Initial Disclosures,

All Directors, Officers and Designated Employees shall forward the following of their securities, including that of their Dependant Family Members, to the Compliance Officer in Form A annexed hereto.

###### Details of securities of the Company held :

###### a) All the time of joining of the Company

The disclosure required under this regulation may also be made through electronic filing in accordance with the system devised by the Stock Exchange.

Contd..... (5)



8. Preservation of price sensitive information

- a) Directors/Officers/Designated Employees shall maintain the confidentiality of all Price Sensitive Information. They shall, while in possession of any Price Sensitive Information, neither deal in the securities of the Company on the basis of Price Sensitive Information nor pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
- b) Price Sensitive Information is to be handled on a "need to know" basis. It should be disclosed only to those within the Company who need the information to discharge their duty.
- c) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

9. Prevention of misuse of price sensitive information

All Directors, Officers and Designated Employees of the Company shall be subject to trading restrictions in the following manner –

Trading Window

- (i) All Directors, Officers and Designated Employees of the Company shall trade in the Company's securities only during the period specified by the Company from time to time.

The "Trading Window" shall be closed during the time the information referred to hereunder is unpublished. When the "Trading Window" is closed, the Directors, Officers and Designated Employees shall not trade in the securities of the Company during that period.

- (ii) The "Trading Window" shall, inter-alia, be closed.

- From the date of the notice to the Stock Exchange of the meetings of the Directors or Committee of Directors until one day after the date of declaration / publication of the Annual/ Half yearly / Quarterly results as the case may be or as decided by the Company otherwise :
- From the date of the Board Meeting where the decision on any of the following matters is taken until one day after the decision is made public or as decided by the Company otherwise :

Contd..... (6)



- a) Intended declaration of dividends (Interim and / or Final) :
  - b) Issue of Securities or Buy-back of Securities;
  - c) Any major expansion plans or execution of new projects;
  - d) Amalgamation, merger or takeover;
  - e) Disposal of the whole or substantially the whole of the undertaking;
  - f) Any significant changes in policies, plans or operations of the Company having material impact on the financial of the Company.
- "Trading Window" may be closed by the Company during such time in addition to the above period, as it may deem fit from time to time.
- (iii) The Trading Window shall be opened 24 hours after the information is made public.
- (iv) No Director, Officer or Designated Employees shall conduct any dealing in the securities of the Company during the closure of the Trading Window. In case of ESOPs (Employee Stock Option Plan), Excise of option may be allowed during the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when Trading Window is closed.

#### 10. Pre-clearance of Trades

All Directors, Officers and Designated Employees of the Company and their dependents intending to deal in the securities of the Company upto the Threshold Limit fixed, as defined and provided hereinbefore may do so without any pre-clearance from the Compliance Officer.

In all other cases, they should pre-clear the transactions as per the pre-dealing procedure is provided hereunder.

- a) Make an application in the prescribed form E annexed hereto, to the Compliance Officer indicating the estimated number of securities that he/she intends to dealing, the details as to the depository (IES) with which he/she maintains a security account, the details as to the security in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- b) He/ She shall execute an undertaking in favour of the Company incorporating therein, inter alia, the following clauses, as may be applicable :
  - j) that he/she does not have any access or has not received Price Sensitive Information upto the time of signing the undertaking;

Contd..... (7)



- ii) that in case he/she has access to or receives Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the 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 any provisions of this Code as may be notified by the Company from time to time ;
- iv) That he/she has made a full and true disclosure in the said matter.
- c) The Directors/Officers/Designated Employees and their dependents shall execute their transaction in respect of securities of the Company within one week after the approval of pre-clearance is given failing which the transaction has to be pre-cleared again. They shall hold their investments in securities for a minimum period of 6 months from the date of purchase/actual allotment. In case of personal emergency the 6 months holding period may be waived by the Compliance Officer (application to made in Form F) after recording in writing the reasons in this regard.

In case of the Compliance Officer intending to deal in the securities of the Company beyond the threshold limit the pre clearance of the Managing Director will have to be obtained. Similarly in case to personal emergency Compliance Officer may obtain the waiver from the Managing Director with regard to complying the minimum period of holding investments for 6 months.

## 11. Restrictions of the Company

The Company shall not deal in the Securities of another Company or associate of that other Company, while in possession of any Unpublished Price Sensitive Information of that other Company.

- b) by new Directors, Officers and Designated Employees within two working days of becoming Directors, Officers and Designated Employees.
- Monthly / Annual Disclosures

In addition to the above, they shall also furnish to the Compliance Officer the following :

Contd..... (8)



- a) Monthly statement of transactions in securities of the Company in Form B annexed hereto. If there is no transaction in a particular month, Nil statement need not be submitted.
- b) Annual statement of all their holdings in securities of the Company to be submitted within 30 days of the close of each Financial Year in Form C annexed hereto.

- **Continual Disclosures**

Any change in shareholding or voting rights, if there is a change in such holdings from the last disclosure made and the said change exceeds Rs.5,00,000/- in value or 25,000 shares or 1% of the total shares holding or voting rights, whichever is lower. Such changes in shareholding or voting right to be disclosed to the Company and the stock exchange where the shares are listed within two working days of such other time limit as may be specified in Form D annexed hereto.

**B) By Other major shareholders**

- **Initial Disclosure**

Any person holding more than 5% shares / voting rights in the Company shall disclose the number of shares or voting rights held within two working days of receipt of intimation of allotment of shares or the acquisition of shares.

- **Continual Disclosure**

Any person who holds more than 5% shares or voting rights in the Company shall disclose to the Company the number of shares or voting rights held and change in the shareholding or voting rights within two working days, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure and such change exceeds 2% of total shareholding or voting rights in the Company estimated number of securities that he/she intends to deal in, the details as to the depository (ies) with which he/she maintains 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.

**12. Penalty**

- a. Any Director, Officer or Designated Employees, who trades in securities or communicates any information for trading in securities in contravention of this Code shall be penalized and appropriate action shall be taken against them by the Company after giving reasonable opportunity to them to show-cause. He/she shall also be subject to disciplinary action, as deemed appropriate, including wage freeze, suspension, ineligibility for future participation in ESOPs etc.

Contd..... (9)





- b) In addition to the action which may be taken by the Company, the persons violating the Regulations or this Code shall also be subject to action by SEBI as per SEBI Act. In case of any violation, the Company shall inform SEBI accordingly.

### 13. General

The decision of the Board of Directors of the Company with regard to any or all matters relating to this Code shall be final and binding on all concerned. The Board of Directors of the Company shall have the power of modify, amend or replace this Code in part or full as may be thought fit from time to time in their absolute discretion.

In case of any inconsistency between any of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and this Code or in case of any omission of any of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 in this Code, the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 shall prevail or be applicable, as the case may be,

14. This revised Code has been duly approved by the Board of Directors at their meeting held on 14<sup>th</sup> November, 2013 and this Code shall be deemed to have come into force with effect from the said date.

