

# BHATKAWA TEA INDUSTRIES LIMITED

## PROHIBITION OF INSIDER TRADING

### (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In pursuance to the powers conferred by section 30 read with clause (g) of sub-section (2) of section 11 and clause (d) and clause (e) of section 12A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), has made a framework for prohibition of insider trading in securities and to strengthen the legal framework, the Company, has adopted the following Schedules namely;

#### SCHEDULE A

##### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION FOR ADHERING TO THE PRINCIPLES OF FAIR DISCLOSURE

*(As envisaged under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015)*

The Company will adhere to the following so as to ensure fair disclosure of events and occurrence that could impact price of its securities in the market:

- The Company will make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- The Company will make, uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- The Company Secretary who is appointed as Compliance Officer under the said Regulation shall act as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- The Company will make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- The Company will provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- The Company will ensure that, information, if any, shared with analysts and research personnel is not unpublished price sensitive information.

- The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
- The Company will handle all unpublished price sensitive information on a need-to-know basis.

## **SCHEDULE B**

### **MINIMUM STANDARDS FOR CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS**

*(As envisaged under sub-regulation (1) and sub-regulation (2) of regulation 9)*

- The Company Secretary who is the compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors.
- All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
- Employees and connected persons designated on the basis of their functional role in the ("designated person") organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
- Designated persons may execute trades subject to compliance with these 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 unpublished price sensitive information. Such closure shall be imposed in relation to such

securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

- The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information 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. 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.
- When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
- The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.
- Prior to approving any trades, the compliance officer shall be entitled to seek declarations (as per format) to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- Trade pre cleared has to be executed within 7 trading by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.
- A designated person who is permitted to trade shall not execute a contra trade within a period of 6 months from the date of an event. 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
- The Company has adopted such formats with the consent of the board of directors for making applications 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 as may be determined as being necessary to monitor compliance with these regulations.

- Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension etc., that may be imposed, by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct.
- The code of conduct shall specify that in case it is observed by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these regulations, they shall inform the Board promptly.