

## **Asian Tea & Exports Ltd.**

### **Code of Conduct for Prevention of Insider Trading for Directors and senior employees of the Company**

#### 1.0 Compliance Officer

1.1 The company has appointed Mr. A.K.Verma, Company Secretary, as compliance officer who shall report to the Chairman and Managing Director.

1.2 The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the company.

Explanation: For the purpose of this schedule, the term 'designated employee' shall include:-

(i) officers comprising the top three tiers of the company management and all employees in the finance department.

(ii) the employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

1.3 The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees

1.4 The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct.

#### 2.0 Preservation of "Price Sensitive Information"

2.1 Employees/ directors shall maintain the confidentiality of all Price Sensitive Information. Employees/ directors 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.

#### 2.2 Need to know

2.2.1 Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty.

#### 2.3 Limited access to confidential information

2.3.1 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.

#### 3.0 Prevention of misuse of "Price Sensitive Information"

3.1 All directors/ officers and designated employees of the company shall be subject to trading restrictions as enumerated below :-

## 3.2 Trading window

3.2.1 The company shall specify a 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 3.2.3 is un-published.

3.2.2 When the trading window is closed, the employees / directors shall not trade in the company's securities in such period.

3.2.3 The trading window shall be, inter alia, closed at the time of:-

- a. Declaration of Financial results (quarterly, half-yearly and annual)
- 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

3.2.4 The trading window shall be opened 24 hours after the information referred to in para 3.2.3 is made public.

3.2.5 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 periods when trading window is closed, as referred to in para 3.2.3 or during any other period as may be specified by the Company from time to time.

3.2.6 In case of ESOPs, exercise of option may be allowed in 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.

## 3.3 Pre clearance of trades

3.3.1 All directors/officers /designated employees of the company who intend to deal in the securities of the company (above a minimum threshold limit to be decided by the company) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

3.3.2 An application may be made in such form as the company may notify in this regard, to the Compliance officer indicating the estimated number of securities that the designated employee/ officer/ director 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.

3.3.3 An undertaking shall be executed in favour of the company by such designated employee / director / officer incorporating, inter alia, the following clauses, as may be applicable:

- a. That the employee/ director/officer does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
- b. That in case the employee/ director/officer 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 position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.
- c. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- d. That he/she has made a full and true disclosure in the matter

## 4.0 Other restrictions

4.1 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. If the order is not executed within one week after the approval is given, the employee/ director must pre clear the transaction again.

4.2 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 (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

4.3 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard.

#### 5.0 Reporting Requirements for transactions in securities

5.1 All directors/officers /designated employees of the company shall be required to forward following details of their Securities transactions including the statement of dependent family members (as defined by the company) to the Compliance officer:

- a. all holdings in securities of that company by directors/officers /designated employees at the time of joining the company;
- b. periodic statement of any transactions in securities (the periodicity of reporting may be defined by the company. The company may also be free to decide whether reporting is required for trades where pre-clearance is also required); and
- c. annual statement of all holdings in securities

5.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors/officers /designated employees for a minimum period of three years.

5.3 The Compliance officer shall place before the Managing Director/Chief Executive Officer or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by employees / director / officer of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

#### 6.0 Penalty for contravention of code of conduct

6.1 Any employee/ officer / director who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by the company.

6.2 Employees / officers / directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

6.3 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.

#### 7.0 Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

7.1 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.