



AARVEE DENIMS AND EXPORTS LIMITED

**CODE OF PRACTICE AND PROCEDURES FOR FAIR
DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE
INFORMATION AND FOR REGULATING,
MONITORING AND REPORTING OF TRADING BY
INSIDERS**

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

AARVEE DENIMS AND EXPORTS LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992.

This Code of Conduct (“the Code”) has been framed by Aarvee Denims and Exports Limited (the Company) in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 (“the Regulations”).

Unless the context otherwise requires, the definitions of terms under the Regulations shall apply to this Code.

Background

“Insider Trading” in general means an act of dealing in the securities of a Company based on some unpublished price sensitive information to which a person may be privy to. The Securities and Exchange Board of India (SEBI), has issued the SEBI (Prohibition of Insider Trading) Regulation, 1992 (“the Regulations”) by which Insider Trading has been prohibited in India.

The Regulations require all the listed Companies to set up an appropriate mechanism and to frame and enforce a policy of internal procedures and conduct so as to curb Insider Trading.

Objective

The Company endeavors to preserve the confidentiality of all un-published price sensitive information(s) and to prevent misuse of such information(s). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every “Insider”, as defined in the SEBI Insider Trading Regulations, has a duty to safeguard the confidentiality of all such information(s) obtained in the course of his/her work at the Company or by virtue of his/her relationship with the Company. No Insider shall use his/her position with or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating and/or counseling others with respect to the securities of the Company. Such persons should also refrain from profiteering by using the unpublished price sensitive information(s).

Applicability of the Policy

This Policy shall be applicable only to the following categories of persons:

A) Officers:

- All the Directors of Company;
- Chief Financial Officer (CFO) of Company;
- Company Secretary (CS) of Company; and
- Auditors of Company.

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(Hereinafter collectively referred to as “the Officers”)

B) Designated Employees:

- All Employees in the Accounts, Finance, Taxation, Legal and Secretarial Department of Company;
- All Employees in other Departments/Divisions of Company from the level of Assistant General Manager & above;
- All employees in Corporate Relation & Corporate Communication Department of Company.
- All employees who are attached to Directors/MD’s Office of Company; and
- Employees of other Departments/Divisions on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, to be decided by the Chairman/Managing Director/Whole-Time Director/Compliance Officer, on a case-to-case basis.

(Hereinafter collectively referred to as the “Designated Employees”)

C) Dependants:

- Dependants of the Officers and designated Employees.

*The Policy is also applicable to the dependent family members of Officers and Designated Employees as defined in the Policy and these Officers and Designated Employees shall be responsible for adherence of this Policy by their dependent family members.

Compliance Officer

Appointment:

The Board of Director of the Company has appointed Company Secretary, as Compliance Officer who shall report to CFO of the Company.

Responsibility:

The Compliance Officer shall be responsible for:-

- Setting forth policies, framing rules and procedures;
- Monitoring adherence to the rules for the preservation of “Price Sensitive Information”;
- Pre-clearing of proposed trades of Officers and Designated Employees and their Dependents and monitoring of trades after pre-clearance; and
- Implementation of this Policy under the overall supervision of the Board of Directors of the Company.

Maintenance of Record:

The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

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Clarification regarding Insider Trading Regulations:

The Compliance Officer shall assist all the employees seeking any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code.

Necessary Communications with SEBI:

The Managing Director/Compliance Officer shall inform the SEBI of any violation of the Regulations and rules made thereunder.

Preservation of "Price Sensitive Information":

All Officers and Designated Employee of the Company shall consider the following points:

- (a) maintain the confidentiality of all un-published Price Sensitive Information(s) and shall not pass on, directly or indirectly, such information to any person by way of making a recommendation for the purchase or sale of Shares of the Company or otherwise.
- (b) keep secure all files/papers containing confidential un-published Price Sensitive Information(s). Computer files must have adequate security of login and password, etc.
- (c) handle the unpublished Price Sensitive Information(s) on a "need to know" basis, i.e. such Information shall be disclosed only to those persons within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information(s).
- (d) immediately report to the Head of the Department all non-public Price - Sensitive information directly received by him/her.

Confidentiality:

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.

Need to Know:

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.

Limited access to confidential information:

Files containing confidential information shall be kept secured by the respective Department Head/Functional Head. Computer files must have adequate security of login and password etc.

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Prevention of misuse of “Price Sensitive Information”:

All directors/officers and designated employees of the Company shall be subject to trading restrictions as enumerated below.

Trading Window

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 at the time of transaction of following business (es). When the trading window is closed, the employees/directors shall not trade in the Company's securities in such period.

The trading window shall be closed from the date of the dispatch of the notice of the Board meeting and shall be opened 48 hours after the publication of below information(s).

The trading window shall be, *inter alia*, 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.
- (h) Such other information, as the Managing Director/ Compliance officer may prescribe from time to time

Restriction to trade in the securities of the Company:

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 above or during any other period as may be specified by the Company from time to time.

Pre-clearance of trades:

All directors/officers/designated employees of the Company and their dependents as defined by the Company who intend to deal in more than 25000 equity shares/securities or not less than Rs. 10 Lakhs (market value) or 1% of total capital of the Company, whichever is less should pre-clear the transaction as per the pre-dealing procedure as described hereunder.

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Procedure for Pre-clearance:

An application may be made in such **Form A** prescribed by the Company 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.

An undertaking in favour of the Company: An undertaking shall be executed in **Form B** in favour of the Company by such designated employee/director/officer incorporating, *inter alia*, the following clauses, as may be applicable, on a yearly basis:

- (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 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.

Other restrictions:

- (a) All directors/officers/designated employees and their dependents (as defined by the Company) shall execute their order (issued by Compliance officer in **Form C**) 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.
- (b) All directors/ officers/ designated employees who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the Company at any time. In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
- (c) 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.

Reporting Requirements for Transactions in Securities:

All directors/officers/designated employees of the listed 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:

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Maintenance of Records:

The Compliance Officer shall maintain records of all the Applications, Undertakings, Declarations etc. submitted by Officers and Designated Employees and their dependants for a period of three years from the date of receipt of the document.

Penalty for contravention of Code:

- (a) Any employee/officer/director whosoever trades in securities or communicates any information for trading in securities in contravention of the Code may be penalized and appropriate action will be taken by the Board of Directors of the Company.
- (b) Employees/officers/directors of the Company who violate the Code shall also be subject to disciplinary action by the Board of Directors of the Company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.
- (c) The action by the Company through Compliance Officer shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992 which may include:
 - imprisonment, or
 - fine, or
 - both.

Trading by Compliance Officer:

All restrictions on trading of securities of the Company shall also be applicable to the Compliance Officer. Compliance Officer shall seek pre-clearance, if applicable, from the Managing Director/Chief Executive Officer.

Definitions:

The terms (price sensitive information, Officer, designated employee, relative/ dependent family member) used in this code of conduct shall carry the meaning as assigned to them in **Annexure I** hereto.

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Annexure I

DEFINITIONS:

(1) PRICE SENSITIVE INFORMATION:

Price sensitive information means any information, which relates directly or indirectly to a company and which if published, is likely to materially affect the price of securities of Company.

The following shall be deemed to be Price Sensitive Information (PSI) –

- a. periodical financial results of the company;
- b. intended declaration of dividends (both interim and final);
- c. issue of securities or buy back of securities;
- d. any major expansion plans or execution of new projects;
- e. amalgamation ,mergers or takeovers;
- f. disposal of the whole or substantial part of the undertaking;
- g. any significant changes in policies, plans or operations of the company.

The above is only illustrative list of PSI and not an exhaustive list.

(2) RELATIVE:

Relative means a person defined under sub-clauses (i), (ii) and (iii) of sub section (77) of section 2 of the Companies Act, 2013 as under.

“relative” means with reference to any person, means any one who is related to another if:-

- (i) They are members of a Hindu Undivided Family
- (ii) They are husband and wife, or

Sub clause (iii) of sub section (77) of section 2 a person shall be deemed to be the relative of another, if he or she is related in the following manner:-

- Spouse
- Father (including step father)
- Father’s father
- Father’s mother
- Mother (including step mother)
- Mother’s mother
- Mother’s father
- Son (Including step son)
- Son’s wife
- Son’s son
- Son’s daughter
- Daughter (including step daughter)
- Daughter’s husband
- Brother (including step brother)
- Sister (including step sister)



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(3) UNPUBLISHED:

“Unpublished” means information, which is not published by the Company or any of its agents and is not specific in nature.

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

In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 the Company shall inform SEBI about the same.

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CODE OF CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING

Corporate Disclosure Policy:

To ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed:—

Prompt disclosure of price sensitive information:

1. Price sensitive information shall be given to stock exchanges and disseminated on a continuous and immediate basis.
2. The Company may also consider ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

Overseeing and co-coordinating disclosure:

1. The Compliance Officer (i.e. Company Secretary) shall oversee Corporate Disclosure.
2. The Compliance Officer shall be responsible for ensuring that the company complies with continuous disclosure requirements. Overseeing and co-coordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.

Responding to market rumours:

1. The Compliance Officer is responsible for responding to any queries or requests for verification of market rumours by exchanges.
2. The Managing Director is empowered for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

Timely Reporting of shareholdings/ownership and changes in ownership:

Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.

Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors:

The Company should follow the guidelines given hereunder while dealing with analysts and institutional investors:—

- a. *Only Public information to be provided* – The Company shall provide only public information to the analyst/research persons/large investors like institution. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.

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- b. *Recording of discussion* - In order to avoid misquoting or misrepresentation, it is desirable that at least two company representatives be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.
- c. *Handling of unanticipated questions* - The Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- d. *Simultaneous release of Information* - When a company organises meetings with analysts, the company shall make a press release or post relevant information on its website after every such meet. The company may also consider live webcasting of analyst meets.

Medium of disclosure/dissemination:

- a. Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
 - b. The Company shall ensure that disclosure to stock exchanges is made promptly.
 - c. The Company may also facilitate disclosure through the use of their dedicated Internet website.
 - d. The Company's website may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.
 - e. The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the company website.
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FORM A
SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date:

To, The Compliance Officer,
Aarvee Denims and Exports Limited,
Ahmedabad, Gujarat, India.

Dear Sir / Madam,

Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sale / subscription of _____ equity shares of the Company as per details given below:

1.	Name of the applicant	
2.	Designation	
3.	Number of securities held as on date	
4.	Folio No. / DP ID / Client ID No.)	
5.	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
6.	Proposed date of dealing in securities	
7.	Estimated number of securities proposed to be acquired/subscribed/sold	
8.	Price at which the transaction is proposed	
9.	Current market price (as on date of application)	
10.	Whether the proposed transaction will be through stock exchange or off-market deal	
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)

FORM B
FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

UNDERTAKING

To,
Aarvee Denims and Exports Limited,
Ahmedabad, Gujarat, India.

I, _____, _____ of the Company residing at _____, am desirous of dealing in _____* shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance again.

I declare that I have made full and true disclosure in the matter.

Date:

Signature:

* Indicate number of shares

FORM C
FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

UNDERTAKING

To,
Aarvee Denims and Exports Limited,
Ahmedabad, Gujarat, India.

I, _____, _____ of the Company residing at _____, am desirous of dealing in _____* shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

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I declare that I have made full and true disclosure in the matter.

Date:

Signature:

* Indicate number of shares