



AKSH OPTIFIBRE LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING IN SECURITIES OF THE COMPANY

1. Introduction

This "Code of Conduct to Regulate, Monitor and Report in Trading in Securities of the Company" ("**Code**") is formulated to regulate, monitor and report trading by the employees and other connected persons to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**"). The Code is effective from May 15, 2015 and supersedes the previous 'AKSH Insider Trading Code'.

2. Definitions

2.1. In this Code, unless the context otherwise requires:

- a) "**Chinese Walls**" means policies, procedures and physical arrangements designed to manage UPSI (defined hereinafter) and prevent inadvertent transmission or misuse thereof.
- b) "**Code**" shall have the meaning ascribed to such term in Article 1 hereof;
- c) "**Company**" means AKSH Optifibre Limited.
- d) "**Compliance Officer**" means the Company Secretary and in his absence any other senior officer of the Company appointed by the Board of Directors from time to time for the purpose of this Code in pursuance of the Regulations.
- e) "**Designated Persons**" means :
 - (i) Promoters, Directors and Key Managerial Personnel,
 - (ii) Employees of the Company comprising the top 3 tiers of the Company i.e. up-to Process Leaders and their personal secretaries,
 - (iii) All the employees not covered above, who are working at the level of Process Associates or above in the following departments of the Company:
 - a) Finance Department at the Corporate Office at New Delhi,
 - b) CS & Legal Department.
 - (iv) Any other person as may be decided by the Compliance Officer from time to time.

- f) "**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis;
- g) "**Immediate Relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to Trading in Securities;
- h) "**Key Managerial Personnel**" shall mean the person holding any of the positions of Managing Director, Chief Financial Officer and Company Secretary of the Company;
- i) "**Regulations**" shall have the meaning ascribed to such term in Article 1 hereof;
- j) "**SEBI**" means Securities and Exchange Board of India;
- k) "**SEBI Act**" means Securities and Exchange Board of India Act, 1992;
- l) "**Securities**" shall have the meaning ascribed to such term in the regulations.
- m) "**Stock Exchange**" means a recognized stock exchange on which the Securities of the Company are listed;
- n) "**Unpublished Price Sensitive Information**" or "**UPSI**" means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following:-
 - i) Financial results;
 - ii) Dividends;
 - iii) Change in capital structure;
 - iv) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - v) Changes in Key Managerial Personnel; and
 - vi) Material events in accordance with the listing agreement;
- o) "**Trading**" means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any Securities of the Company, and "**Trade**" shall be construed accordingly;
- p) "**Trading Day**" means a day on which the Stock Exchanges are open for Trading;
- q) "**Trading Window**" means the period during which dealing in Company's Securities can be carried out;
- r) "**Threshold Limit**" means the limit for Trading in Securities in any calendar quarter, as decided by the Board of Directors of the Company from time to time. For the time

being, the Threshold Limit for Trading in Securities in a calendar quarter is Rs. 10 lac.

The words and expressions used but not defined herein but defined in the Regulations shall have the meanings ascribed to such terms in Regulations, as amended or replaced from time to time.

3. Responsibilities and Duties of Compliance Officer

- 3.1 The Compliance Officer shall be responsible under the overall supervision of the Board of Directors of the Company, for the following:
- i) Compliance of policies, procedures, maintenance of records;
 - ii) monitoring adherence to the rules for the preservation of UPSI;
 - iii) monitoring of Trades and implementation of the Code;
 - iv) maintaining records of the Designated Persons and any changes made in the list of Designated Persons; and
 - v) providing guidance and clarifications sought by Designated Persons regarding the Regulations and the Code.
- 3.2 The Compliance Officer shall report to the Board of Directors and shall provide reports to the Chairperson of the Audit Committee on a quarterly basis in respect of Trading in the Securities by the Designated Persons, the trading plans and pre-clearances approved by the Compliance Officer.
- 3.3 The Compliance Officer shall discharge other functions and duties as prescribed in the Code.

4. Preservation of UPSI and Chinese Wall Procedures

- a) The main features of the Code shall be disseminated to the Designated Persons and they shall be apprised about UPSI and concepts of Chinese Walls.
- b) All Designated Persons shall maintain the confidentiality of all UPSI. The Designated Persons shall not communicate, allow access to or provide any UPSI to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- c) UPSI is to be handled on a "need to know" basis. It should be disclosed only to those who need the information to discharge their duty and possession of UPSI by them will not give rise to a conflict of interest or misuse of UPSI.

- d) There shall be limited access to UPSI. Files containing UPSI can be kept secured and computer files containing UPSI should be protected with the help of login, passwords, etc.
- e) Designated Persons are obliged to treat UPSI with due care and they have a duty to safeguard UPSI irrespective of source of receipt of UPSI. Designated Persons shall use UPSI for the specified purpose only and it must not be used for any personal gain.
- f) In the course of discharge of his / her duties, if a Designated Person is required to disclose UPSI to third parties such as auditors, accountancy firms, law firms, analysts, consultants, etc. who are assisting or advising the Company, he / she shall ensure that appropriate non-disclosure agreement and undertaking is executed with such third party before disclosure of such UPSI.
- g) UPSI directly received by any Designated Person should immediately be reported to the Compliance Officer.

5. **Prevention of misuse of UPSI**

All Designated Persons and their Immediate Relatives shall be subject to Trading restrictions as stated below.

a) Trading Window

The Designated Persons and their Immediate Relatives shall Trade in the Securities of the Company only in a valid Trading Window i.e. when the Trading Window is not closed.

b) Prohibition on Trading in Securities

Designated Persons and their Immediate Relatives shall not Trade in the Securities of the Company when in possession of UPSI and during the Prohibited Period, as defined below.

c) **“Prohibited Period”** means :

- (i) a period of 7 days prior to the date of announcement of unaudited/ audited Quarterly/ Half Yearly/ Annual financial results and upto 48 hours thereafter,
- (ii) a period of 7 days prior to the proposal being placed before the Board of Directors and upto 48 hours thereafter, in respect of the following matters :

- intended declaration of interim or final dividend,
 - change in capital structure of the Company
 - mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions
 - changes in Key Managerial Personnel; and
 - material events in accordance with the listing agreement
- (iii) any period when the Compliance Officer otherwise has reasons to believe that Designated Persons can reasonably be expected to have possession of UPSI.

The Prohibited Period shall be communicated by the Compliance Officer from time to time.

- d) The intimation about the period when the Trading Window is closed shall be given by the Compliance Officer, wherever required, through e-mail, circular and/ or posting on the website of the company, etc.
- e) Restrictions pertaining to 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.

6. Pre-clearance of Trades

All Designated Persons including their Immediate Relatives intending to Trade in the Securities of the Company upto the Threshold Limit fixed as aforesaid may do so without any clearance from the Compliance Officer.

While calculating the Threshold Limit, the cumulative value of the Securities traded, whether in one transaction or series of transactions, during a calendar quarter by the Designated Person and his /her Immediate Relatives shall be taken into account.

In case Designated Persons including their Immediate Relatives intending to Trade in the Securities of the Company in excess of the Threshold Limit, they shall pre-clear the transactions as per the procedure stated hereunder:

- a) Make an application in the prescribed form, as per **Annexure - A**, to the Compliance Officer indicating the estimated number and value of Securities that he/she intends to Trade in and such other details as may be required in

this behalf. The application is to be filed alongwith statement of holding in Securities at the time of pre-clearance as per **Annexure – B**.

- b) He/ she shall execute an undertaking in favour of the Company incorporating therein *inter-alia*, the following clauses, as may be applicable:
 - i) that he/ she does not have any access to or has not received Unpublished Price Sensitive Information upto the time of signing the undertaking;
 - ii) that in case he/ she has access to or receives Unpublished 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 Trading in the Securities of the Company till the time such information becomes generally available;
 - iii) that he/ she has not contravened the Code; and
 - iv) that he/ she has made a full and true disclosure in the matter.
- c) The Designated Persons including their Immediate Relatives shall execute their transactions in respect of Securities of the Company within 7 (Seven) Trading Days after the pre-clearance is given after which pre-clearance will lapse. Thereafter, a fresh pre-clearance will be needed for the Trades to be executed.

The Designated Persons shall provide to the Compliance Officer details of Trades executed in excess of Rs. 10 lac, as per the requirement in Clause 8(II) hereof.

- d) Where a Trade is not executed after obtaining pre-clearance from the Compliance Officer, the concerned Designated Person shall intimate the same alongwith reasons thereof to the Compliance Officer within two Trading Days after the expiry of seven Trading Days from the date of pre-clearance by the Compliance Officer, as per **Annexure C**.
- e) In case the Compliance Officer or his Immediate Relatives intend to Trade in the Securities of the Company requiring pre-clearance, he shall obtain pre-clearance for the same from the Managing Director of the Company, as per the pre-clearance procedure under this Code.
- f) Such pre-clearance shall not in any way be deemed to be confirmation of compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended or

replaced from time to time (the "Takeover Code"), if applicable. The person seeking pre-clearance shall be solely responsible for compliance with the provisions of the Takeover Code, if applicable.

- g) The Designated Persons and their Immediate Relatives shall not enter into a contra Trade during the next six months following a Trade.

For example: If 'X' or any of his Immediate Relatives buy Securities of the Company on January 1, 2015, then 'X' and his Immediate Relatives shall not sell any Securities of the Company until July 1, 2015 and *vice versa*.

The Compliance Officer may grant relaxation from strict application of such restriction after recording in writing the reasons in this regard; provided that such relaxation does not violate the Regulations. The application for such relaxation should be made as per **Annexure – D**.

In case a contra trade is executed, inadvertently or otherwise, in violation of the aforesaid restriction, the profits from such Trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act.

- h) 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 pre-clearance of Trades.
- i) The Designated Persons including their Immediate Relatives shall not take any positions in derivative transactions in the Securities of the Company at any time.

7. Trading Plans

- a) A Designated Person who may be perpetually in possession of UPSI and his / her Immediate Relatives shall have an option to formulate a trading plan as per **Annexure – E** and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out on their behalf in the Securities of the Company.
- b) Such trading plan shall:
- i) not entail commencement of Trading in Securities on behalf of the Designated Persons or their Immediate Relatives earlier than 6 months from the public disclosure of the trading plan;

- ii) not entail Trading in Securities for the period between the 20th Trading Day prior to the last day of any financial period for which results are required to be announced by the Company and the 2nd Trading Day after the disclosure of such financial results;
 - iii) entail Trading in Securities for a minimum period of 12 months;
 - iv) not entail overlap of any period for which another trading plan is already in existence;
 - v) set out either the value of Trades to be effected in the Securities or the number of Securities to be traded along with the nature of the Trade and the intervals at, or dates on which such Trades in the Securities shall be effected; and
 - vi) not entail Trading in Securities for market abuse.
- c) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Code or the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor implementation of the trading plan.
- d) Upon approval of a trading plan, the Compliance Officer shall notify the plan to the Stock Exchanges.
- e) The trading plan once approved shall be irrevocable and the Designated Person or his Immediate Relative(s) shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any Trade in the Securities outside the scope of the trading plan;
- Provided that the implementation of the trading plan shall not be commenced if any UPSI in possession of the concerned Designated Person at the time of formulation of the plan has not become generally available at the time of commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available.
- f) The Designated Person and his / her Immediate Relatives who have obtained approval of the trading plan shall intimate to the Compliance Officer, details of the Trades in the Securities executed in accordance with the plan in **Annexure –F**, within two Trading Days from execution of each Trade.

- g) A Designated Person who has availed the facility of trading plan shall not be eligible to Trade in the Securities of the Company through pre-clearance mechanism as mentioned in Clause 6 hereof.

8. DISCLOSURES AND REPORTING REQUIREMENTS

I) Initial Disclosure

The Designated Persons shall make following disclosures to the Compliance Officer:

- a) Within 30 days from May 15, 2015 (the date on which the Regulations come into force), the details of Securities of the Company held by them and their Immediate Relatives as on May 15, 2015, as per **Annexure - G**.
- b) Within 7 days of his / her appointment as Designated Person, the details of Securities of the Company held by him / her and his / her Immediate Relatives as on the date of such appointment, as per **Annexure - H**.

II) Continual Disclosure

- a) Every Designated Person and employee of the Company shall disclose to the Compliance Officer, the number of Securities of the Company acquired or disposed of, within two Trading Days of such transaction, if the aggregate value of Securities Traded, whether in one transaction or a series of transactions over any calendar quarter, exceeds Rs. 10 lac or such other value as may be specified by SEBI in this regard. Such disclosure shall be made as per **Annexure - I**.
- b) The Designated Persons shall forward to the Compliance Officer,
- i) An Annual statement of holdings in the Securities of the Company within 30 days of the close of financial year as per **Annexure - J**.

9. Penalties/ Punishments

- a) Any Designated Person who trades in securities or communicates any information for Trading in securities in contravention of this Code will be penalized and appropriate action will be taken against him/ her by the Company after giving reasonable opportunity of being heard in the matter. He/ she shall also be subject to disciplinary action by the Company including wage freeze, suspension, in-eligibility for future participation in ESOPs, etc.
- b) In case any violation of Regulations is observed, the Compliance Officer shall promptly inform the same to SEBI.

- c) In addition to the aforesaid penalties/ punishments, the persons violating the Regulations will also be subject to any other action by SEBI as per SEBI Act.
- 8 The Board of Directors of the Company shall have power to modify or replace this Code in part or full as may be thought fit from time to time in its absolute discretion.
 - 9 The decision of the Board of Directors with regard to all matters relating to this Code will be final and binding on all concerned.
 - 10 In case any provisions of this Code are contrary to or inconsistent with the provisions under the Regulations, the provisions of Regulations shall prevail.