

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

MINAXI TEXTILES LIMITED

Effective from 01.04.2019

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Prohibition of Insider Trading) Regulations, 2002 (hereinafter referred to as "Regulations") dealing, inter alia, with buying and selling of securities of the Company by employees / directors.

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Every Director, Officer, Designated Employee and Connected person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Director, Officer, Designated Employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating / or counseling others with respect to the securities of the Company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence.

To achieve these objectives, Minaxi Textiles Limited (hereinafter referred to as "the Company") hereby notifies that this code of conduct is to be followed by all Directors, Officers, Designated Employees and connected persons.

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To achieve these objectives, Minaxi Textiles Limited (hereinafter referred to as "the Company") hereby notifies that this code of conduct is to be followed by all Directors, Officers, Designated Employees and connected persons.

A) "Connected Person" means

Any person who – is a director, of the company, or is deemed to be a director of the company by virtue of sub - clause (10) of section 307 of the Companies Act, 1956; or

Occupies the position as an officer or an employee of the company; or

Holds a position involving a professional or business relationship between himself and the company whether temporary or permanent including consultants, advisors, statutory and internal auditors, relatives of all directors and officers and who may reasonably be expected to have an access to unpublished price sensitive information in relation to the company.

Explanation: For the purpose of this definition, the words "connected person" shall mean any person who is a connected person six months prior to an act of insider trading.

B) 'Designated Person' shall mean :

Employees and connected persons designated on the basis of their functional role. 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 would provide to unpublished price sensitive information in addition to seniority and professional designation.

C) 'Insider' means

Any person who, 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 who has received or has had access to such unpublished price sensitive information.

D) '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.

❖ THE FOLLOWING SHALL BE DEEMED TO BE PRICE SENSITIVE INFORMATION :-

- Periodical financial results of the company;
- Intended declaration of dividends (both interim and final);
- Issue of securities or buy-back of securities;
- Any major expansion plans or execution of new projects;
- Amalgamation & mergers or takeovers;
- Disposal of the whole or substantial part of the undertaking;
- Disruption of operations due to natural calamities.
- Any significant changes in policies, plans or operations of the company, such as:
- Commencement of any new commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the company during that financial year.
- Developments with respect to changes in pricing/realisation on goods and services arising out of changes in government policy.
- Litigation/dispute with a material impact.
- Revision of credit ratings assigned to any debt or equity instrument of the company.
- Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.

E) 'Relative' means

A person who shall be deemed to be a relative of another, if, and only if,

They are members of a Hindu undivided family ; or

They are husband and wife ; or

The one is related to the other in the manner indicated below:

- Father
- Mother (including step-mother)
- Son (including step-son)
- Son's wife
- Daughter (including step-daughter)
- Father's father.
- Father's mother
- Mother's mother
- Mother's father.
- Son's son.

- Son's son's wife
- Son's daughter.
- Son's daughter's husband
- Daughter's husband.
- Daughter's son
- Daughter's son's wife
- Daughter's daughter
- Daughter's daughter's husband
- Brother (including step-brother)
- Brother's wife
- Sister (including step-sister)
- Sister's husband.

F) '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.

Minaxi Textiles Limited has the Compliance Officer and he shall report to the Managing Director of the Company.

The Board makes the Compliance Officer 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), monitoring of trades and the implementation of the code of conduct under the superintendence and control of the Board of Directors of the Company.

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

Compliance Officer will assist all the employees in addressing any clarification regarding the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's code of conduct.

Explanation: - Designated employee shall include Employees in the top three tiers of management.

All Employees in finance department irrespective of any designation and grade.

Employee designated by the Board of Directors from time to time to whom the trading restriction shall be applicable.

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 Unpublished Price Sensitive Information will be handled on a "need to know" basis i.e. Unpublished Price Sensitive Information will be disclosed only to those 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.

All non -public information directly received by any employee shall be immediately reported to the head of department.

Limited access to the confidential information :-

Files containing confidential information will be kept secure. Computer files will have adequate security of login and password etc.

Audit Committee of the company has reviewed the compliance of code of conduct, and Verify the systems for internal control adequate and operating effectively. The Compliance Officer shall report to Chairman of Audit Committee or Board of Directors atleast once in a Year regarding the systems for internal control and its adequacy its effectiveness.

G) Restrictions on Designated Persons & Connected Person :-

(a) No Designated Person and Connected Person shall -

- (i) either on his own behalf, or on behalf of any other person, trade when in Possession of any Unpublished Price Sensitive Information Unless made in accordance with the Trading Plan as enumerated in this Code;
- (ii) advice any person to trade in the Securities while being in possession, control Or Knowledge of Unpublished Price Sensitive Information. For avoidance of any doubt it is clarified that “advice” shall mean to include recommendations, communications or Procurement of Unpublished Price Sensitive Information (UPSI).

Sharing of information with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants, shall be considered as “legitimate purposes” for the purpose of sharing unpublished price sensitive information in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT regulations.

H) Restrictions on opposite transactions and short selling :-

• **Contra Trade :-**

- (i) All Designated Persons who buy or sell any number of Securities of the Company shall not enter into an opposite transaction **i.e.** sell or buy any number of Securities during the next six months following the prior transaction (“Contra Trade”). All Designated Persons shall also not take positions in derivative transactions - if any, in the Securities [of the Company] at any time. This restriction on opposite trade shall not apply to ESOPs – if any, allotted to the Designated Persons provided the minimum period of holding is complied.
- (ii) If a Designated Person intends to enter into a Contra Trade, such contra trade may be made only with prior approval of the Compliance Officer. The Compliance Officer while approving such exception, shall record in writing the reasons for which such exception was granted and why such exception would not be in violation of the Code or the Regulations.
- (iii) In the event of Contra Trade has been executed without prior approval of the Compliance Officer, 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 Act.

- **Short Selling**

No Designated Person shall directly or indirectly sell any Security if such Designated Person (i) does not own the Security sold; or (2) owns the Security but does not deliver such Security against such sale within the acceptable settlement cycle ("short sale").

I) Chinese Walls :-

Code of conduct shall contain norms for appropriate Chinese wall procedures, and processes for permitting any designated person to "**cross the wall**".

- Additionally, while dealing with or handling Unpublished Price Sensitive Information within the Company, the Company shall establish policies, procedures and physical arrangements (collectively "Chinese Wall") designed to manage confidential information and prevent the inadvertent spread and misuse of Unpublished Price Sensitive Information, or the appearance thereof.
- Chinese Walls shall be used to separate areas that have access to Unpublished Price Sensitive information ("Insider Areas") from those who do not have such access ("Public Areas") within the Company.
- Where Chinese Walls arrangements are in place Designated Persons working within an Insider Area are prohibited from communicating any confidential or Unpublished Price Sensitive Information to anyone in Public Areas without the prior approval of the Compliance Officer.
- Designated Persons within a Chinese Wall have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or Suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.
- A designated Person may cross the Chinese Wall to enter the Insider Areas only with the Prior approval of the Compliance Officer, and would be subject to all restrictions that apply to such areas.
- The establishment of Chinese Walls does not mean or imply that Unpublished Price Sensitive Information can Circulate freely within Insider Areas.

J) Digital database structured :-

A structured digital database shall be maintained containing the names of such persons or Entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of maintenance of a digital database for sharing the information for Said legitimate purposes.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of SEBI PIT regulations and such persons are also required to ensure the confidentiality of unpublished price sensitive information shared with them, in compliance with SEBI PIT Regulations.

H) Trading window

The trading period, to be called "Trading Window", for trading in the company's securities Will be period 7 days prior to the day on which the price sensitive information is published And 24 hours after the price sensitive information is published. The trading window will be closed during the time the information referred to in point 3 (i.e. Price Sensitive Information) is unpublished.

The trading window shall be closed when the compliance officer determines that a designated person can reasonably be expected to have a possession of unpublished price sensitive information. Further the trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results.

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

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

- a. Declaration of financial results of the Company (quarterly, half- yearly and annual).
- b. Declaration of Dividend (Interim & 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, operations of the company.

The trading window will be opened 24 hours after the information referred to in point 3 (i.e Price Sensitive Information) is made public.

All directors/ officers/ designated employees of the company shall conduct all their dealing 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 or during any other period as may be specified by the Company from time to time.

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 will not be allowed when trading window is closed.

The Compliance officer after taking into account various factors including the unpublished price sensitive Information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for reopening of the trading window, however in any event it 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.

The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.

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

Pre-clearance of trades

All directors/officers/designated employees of the company who intends to deal in the securities of the company (above a minimum threshold limit of 5000 shares or any other securities) should pre- clear the transactions as per the pre-dealing procedure as described hereunder.

An application may be made 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.

The Compliance officer shall entitles to seek declaration prior to approving trade from designated employee / Director for that he is not in possession of any Unpublished Price sensitive information.

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.

The Compliance officer shall on receiving an application provide an acknowledgement on the duplicate of the application The Compliance officer shall grant approval within 2 days from the date of acknowledgement.

The Compliance officer shall retain copies of all applications and acknowledgements.

In exceptional circumstances consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the possession of any unpublished price sensitive information. There shall be no obligation to give reasons for any withholding of consent.

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.

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.

In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his/her reasons in this regard. An application for waiver of holding period shall be made to the Compliance officer.

Initial Disclosure

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

All holdings in securities by directors/officers /designated employees /partners at the time of joining the organization.

Periodic statement of any transactions in securities (the periodicity of reporting may be defined by the firm or organization. The organization / firm may also be free to decide whether reporting is required for trades where pre-clearance is also required.

Annual statement of all holdings in securities

The Compliance officer shall maintain records of all the declarations given by the directors/ designated employees /partners in the appropriate form for a minimum period of three years. The Compliance officer shall place before the Managing Director / Chief Executive Officer, on a monthly basis all the details of the dealing in the securities by designated employees /directors/partners of the organization/firm and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

Continual Disclosure Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company , the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.

Any person who is a director or officer of a listed company, shall disclose to the company , the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings from the last disclosure made under sub-regulation (2) or under this sub-regulation, and the change exceeds Rupees 5 lac in value or 5000 shares or 2% of total shareholding or voting rights, whichever is lower.

The disclosure mentioned in sub-regulations (1) and (2) shall be made within 4 working days of;

- a. the receipt of intimation of allotment of shares, or
- b. the acquisition or sale of shares or voting rights, as the case may be.

The company, within five days of receipt, shall disclose to all stock exchanges on which the company is listed, the information received under Regulation 6.

Quarterly / Annual Disclosure

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:

- 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 whether pre-clearance of trades was obtained or not, on quarterly basis within 15 days from the end of quarter.
- c. annual statement of all holdings in securities as on 31st March of each year, before 30th April of that year.

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.

The Compliance Officer shall place before the Managing Director, 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.

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 penalized and the company may take appropriate action.

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

The action by the company will not preclude SEBI from taking any action 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, SEBI will be informed by the company.

Conclusion :

This Code is subject to review from time to time.

(Note: Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, necessary amendments have been made in policy which shall come into effect from 1st April, 2019).