

## **THE INDIAN CARD CLOTHING COMPANY LIMITED**

(CIN : L29261PN1955PLC009579)

### **CODE FOR CORPORATE DISCLOSURE PRACTICES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS**

#### **1. INTRODUCTION**

This Code of Conduct will be known as "Code for Corporate Disclosure Practices and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" ("the Code").

This Code of Conduct has been made pursuant to Regulation 8 and Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, (together referred to as "**Regulations**") read with Schedule A and Schedule B of the Regulations and as may be modified by the Board of Directors of the Company from time to time.

#### **2. DEFINITIONS**

- 2.1. "Act" means the Securities and Exchange Board of India Act, 1992.
- 2.2. "Board" means the Board of Directors of the Company.
- 2.3. "Code" or "Code of Conduct" shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of The Indian Card Clothing Company Limited as amended from time to time.
- 2.4. "Company" means The Indian Card Clothing Company Limited.
- 2.5. "Compliance Officer" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the Code specified in these regulations under the overall supervision of the Board of Directors of the Company and is also responsible as the Chief Investor Relation Officer under the Regulations.
- 2.6. "Connected Person" means:
  - i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Designated Person, Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

- ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
  - a) an immediate relative of connected persons specified in clause (i); or
  - b) a holding company or associate company or subsidiary company; or
  - c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
  - d) an investment company, trustee company, asset management company or an employee or director thereof; or
  - e) an official of a stock exchange or of clearing house or corporation; or
  - f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  - g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
  - h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - i) a banker of the Company; or
  - j) a concern, firm, trust, Hindu Undivided Family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

2.7. "Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

2.8. Designated Person(s) shall include:

- i) Members of the Board of Directors;
- ii) Promoters of the Company;
- iii) Managing Director, Chief Financial Officer, and Company Secretary of the Company, its Subsidiary Companies, Associate Companies and Joint Venture Companies;
- iv) Auditors of the Company, and its subsidiaries;
- v) All employees of the Accounts and Finance, Internal Audit, Secretarial Department and supporting staff working in IT department of the Company and its subsidiaries;
- vi) Secretaries/Executive Assistants reporting to the Chairman or the Managing Director/Whole Time Director/Chief Financial Officer/ Company Secretary of the Company;
- vii) All Business Heads and Unit Heads of the Company and its material subsidiaries;
- viii) Employees up to two levels below the Managing Director and its material subsidiaries irrespective of their functional role in the company or ability to have access to Unpublished Price Sensitive Information;
- ix) Such other person as may be identified by the Compliance officer; and
- x) Immediate relatives of above Designated Persons:  
 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.

- 2.9. "Director" means a member of the Board of Directors of the Company.
- 2.10. "Employee" means every employee of the Company including the Directors in the employment of the Company.
- 2.11. "financially literate" shall mean a person who has the ability to read and understand basic financial statements, i.e., balance sheet, profit and loss account, and statement of cash flows.
- 2.12. "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.
- 2.13. "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.
- 2.14. "Insider" means any person who:
- i) is a connected person; or
  - ii) is a designated person; or
  - iii) is in possession of or having access to unpublished price sensitive information pursuant to a legitimate purpose.
- 2.15. "Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013.
- 2.16. "Leak of UPSI" shall mean communication of unpublished price sensitive information by any Insider, Employee or Designated Person, and/or their relatives, or any other known or unknown person to any person other than a person(s) authorized by the Board after following the due process prescribed in this behalf in the Code For Corporate Disclosure Practices and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and/or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.
- 2.17. "Legitimate Purpose" shall mean sharing of unpublished price sensitive information in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the regulations:
- i) Promoters of the Company
  - ii) Member of the Promoter Group
  - iii) Auditors (Statutory, Internal, Branch, Cost, Secretarial, Tax and/or any other Auditor as applicable)
  - iv) Staff Members of the Audit firm/team conducting the Audit
  - v) Business Partners/Franchisees
  - vi) Collaborators
  - vii) Lenders
  - viii) Customers
  - ix) Suppliers
  - x) Bankers/Merchant Bankers
  - xi) Legal Advisors

- xii) Insolvency Professionals
  - xiii) Consultants
  - xiv) Any other person with whom unpublished price sensitive information is shared
- 2.18. "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 2.19. "Promoter Group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 2.20. "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof;
- 2.21. "Support Staff" shall include the Finance & Accounts staff, the IT staff and/or the Secretarial staff of the Company who have access to UPSI.
- 2.22. "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 2.23. "Trading" means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, A sell, deal in any securities, and "trade" shall be construed accordingly;
- 2.24. "Trading Day" means a day on which the recognized stock exchanges are open for trading;
- 2.25. "Unpublished Price Sensitive Information" (hereinafter referred to as "UPSI") means any information, relating to a 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, de-listings, disposals and expansion of business and such other transactions; and
  - v) changes in key managerial personnel;
- 2.26. "Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, read with Schedule A and Schedule B thereof.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

### **3. LEGITIMATE PURPOSE**

As an exception, the UPSI can be shared by an Insider in furtherance of legitimate purpose, provided it is not shared to evade or circumvent the prohibitions under the Regulations.

The Company's "Policy for determination of Legitimate Purpose" is given as Schedule – 1 .

### **4. DEALING IN SECURITIES OF THE COMPANY WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

4.1. No insider shall trade in securities of the Company while in possession of the UPSI.

4.2. When a person who has dealt in the securities of the Company while in possession of the UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

4.3. The insider may prove his innocence by demonstrating the circumstances including the following:

- i) Dealing in securities is an off-market *inter-se* transfer between the insiders who were in possession of the same UPSI without breaching the provisions of Clause 6 of this Code and both the parties had made a conscious and informed trade decision; provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of these regulations;
- ii) Such off-market have been reported to the Company within two working days;
- iii) Dealing in securities was carried out through the block deal window mechanism between persons who were in possession of the UPSI without breaching the provisions of Clause 6 of this Code and both the parties had made a conscious and informed trade decision; Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of these regulations;
- iv) Dealing in securities in question was carried out pursuant to a statutory or regulatory obligation to carry out a bonafide transaction;
- v) Dealing in securities in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
- vi) In the case of non-individual insiders:
  - a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and

- b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached.
- vii) The trades were pursuant to a trading plan set up in accordance with this Code.
- viii) In case of connected persons, the onus of establishing that they were not in possession of the UPSI shall be on such connected persons.

## **5. ROLE OF COMPLIANCE OFFICER**

- 5.1. The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors on quarterly basis or at such frequency as may be stipulated by the Board of Directors but not less than once in a year.
- 5.2. The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.
- 5.3. The Compliance Officer shall also be responsible to:
  - i) Oversee the Compliance of this policy.
  - ii) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India (SEBI).
  - iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
  - iv) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Inquiry committee as constituted under the PIL Policy provided under Schedule – 2 of this Code.

## **6. PRESERVATION OF “PRICE SENSITIVE INFORMATION”**

- 6.1. All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations:

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction if authorized by the Board of Directors which entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price

sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

- However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

6.2. Need to Know:

- i) "need to know" basis means that Unpublished Price Sensitive Information should 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.
- ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

6.3. Limited access to confidential information:

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

**7. PREVENTION OF MISUSE OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"**

Designated Persons and immediate relatives of Designated Persons in the Company shall be governed by an internal code of conduct governing dealing in securities which includes but is not limited to the following:

7.1. Compliances by Designated Persons:

- i) Designated Persons shall be required to disclose Name and PAN or any other identifier authorized by law, like Aadhar card number, passport number (in case of foreigner) of the following persons to the Company on an annual basis and as and when the information changes:
  - Immediate relatives;
  - Persons with whom such designated person(s) shares a material financial relationship;
  - Phone number, Mobile Number which are used by them;

"Material financial relationship" shall means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income excluding relationship in which payment made is at arm's length basis.

Designated Persons shall also disclose on a one-time basis the following information to the Company:

- Names of educational institutions from where designated persons have graduated;
  - Names of the past employers of the designated persons.
- ii) The Designated Persons, who deal in Securities when in possession of UPSI in contravention of the provisions of this Code or the regulations, shall be liable to disciplinary actions, including wage freeze, suspension, recovery, claw back, etc., as may be decided by the Inquiry Committee formed pursuant to the Company's Policy and Procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ("UPSI"), comprising of Managing Director, Chief Financial Officer and Compliance Officer and any other officer of the Company as may be mutually decided by the members of the Committee, on a case to case basis.
- iii) Designated Persons and their immediate relatives shall not deal in the securities of the company when the Trading Window is closed as provided under Clause 8 of this Code. Trading window is the period during which the persons covered under the Code cannot deal in securities of the Company.

7.2. Norms for appropriate Chinese Walls procedures & processes:

- i) To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/ marketing or other departments providing support services, considered "public areas."
- ii) The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii) The employees in inside area may be physically segregated from employees in public area.
- iv) Demarcation of the various departments as inside area may be implemented by the Company.
- v) In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

7.3. Trading Plan:

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.



7.4. Trading Plan shall:

- i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- iii) entail trading for a period of not less than twelve 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 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 shall be effected; and
- vi) not entail trading in securities for market abuse.

7.5. The Compliance Officer shall review the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations. Pre-clearance of trades, however, shall not be required for a trade executed as per an approved trading plan. Further, the trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

7.6. The Trading Plan once approved shall be irrevocable and the Insider 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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **8. TRADING WINDOW AND WINDOW CLOSURE**

- 8.1. i) The trading period, i.e., the trading period of the stock exchanges, called “trading window”, is available for trading in the Company’s securities.

- ii) The trading window shall be closed as given below:
  - a) during the period beginning with dispatch of notice for calling the Board Meeting for considering the financial results (audited or unaudited) of the quarter or half year or the financial year as the case may be, and ending up to and including 48 hours after the information becoming generally available; or
  - b) the period beginning with dispatch of notice for calling the Board Meeting for consideration of all such matters (other than financial results) as are deemed to be UPSI and ending 48 hours after the decision taken by the Board of Directors at such meeting becomes generally available; or
  - c) such other period as may be notified by the 'Compliance Officer' from time to time, with the approval of the Chief Financial Officer.
- iii) 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 is closed.

8.2. The Compliance Officer shall intimate the closure of trading window to all the Designated Persons of the Company when he 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.

8.3. The Compliance Officer can apply the trading restrictions from the end of every quarter till 48 hours after the declaration of financial results.

8.4. 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 re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

## **9. PRE-CLEARANCE OF TRADES**

9.1. All Designated Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is above 25,000 shares or up to Rs. 5 Lakhs (market value) or 1% of total shareholding, whichever is less, should pre-clear the transaction. The pre-dealing procedure shall be hereunder:

- i) An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Designated Person 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.

- ii) An undertaking (**Annexure 2**) shall be executed in favour of the Company by such Designated Person 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” up to the time of signing the undertaking.
  - b) That in case the Designated Person 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.
- iii) All Designated Persons and their relatives shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given *[indicative format of approval to be issued by the Compliance Officer is provided as (**Annexure 3**)]*. The Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (**Annexure 4**).
- iv) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.
- v) All Designated Persons 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 Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

In 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.

- vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

- vii) If in any case the Company finds that there has been a violation of these Regulations, it shall inform SEBI promptly.
- viii) The Directors of the Company, the Chief Financial Officer and the Compliance Officer of the Company shall be severally responsible to decide how and when people are to be brought 'inside' on sensitive transactions. They shall make the Individuals should be mad aware of their duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

## **10. OTHER RESTRICTIONS**

- 10.1. The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 10.2. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 10.3. The disclosures made under this Code shall be maintained for a period of five years.

## **11. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES INITIAL DISCLOSURE**

### **Internal Disclosure:**

- 11.1. Every person on appointment as a key-managerial-personnel or a director of the Company or upon becoming a Promoter or a member of the Promoter Group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter in the prescribed form (**Annexure 5**).

### **Continual Disclosure:**

- 11.2. Every Promoter, member of the Promoter Group, designated person, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten lakhs.

The disclosure shall be made within 2 trading days of in the prescribed form (**Annexure 6**) or in such form and such manner as may be specified by SEBI from time to time:

- 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.

## **12. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S)**

- 12.1. Within 2 trading days of the receipt of intimation under Clause 9.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
- 12.2. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors / Officers / Designated Persons for a minimum period of five years.

## **13. DISSEMINATION OF PRICE SENSITIVE INFORMATION**

- 13.1. No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- 13.2. Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors:

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- 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.
- Simultaneous release of information after every such meet.

## **14. LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

A policy for initiating appropriate inquiries on becoming aware of leak/suspected leak of unpublished price sensitive information, and informing the Securities and Exchange Board of India (SEBI) promptly of such leaks, inquiries and results of such inquiries is enclosed as **Schedule – 2** to this Code.

The Company has formulated a whistle-blower policy, that, inter-alia, enables employees to report instances of leak of UPSI.

## **15. CODE OF FAIR DISCLOSURE**

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

- i) 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.
- ii) Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.

- iii) Designation of a senior officer as a Chief Investor Relation Officer or to deal with dissemination of information and disclosure of unpublished price sensitive information.
- iv) Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- v) Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- vi) Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- vii) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- viii) Handling of all unpublished price sensitive information on a need-to-know basis.

## **16. AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend/substitute any provision(s) with a new provision(s) or replace this entire Code together with its Schedules and Annexures.

Under any circumstances, where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

## **SCHEDULE – 1**

### **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE**

#### **PREFACE**

This Policy, as a part of "Code for Corporate Disclosure Practices and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" formulated under the Regulations, will be known as **"Policy for Determination of Legitimate Purpose"** (hereinafter referred to as the "PDLP").

PDLP is prepared in accordance with Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter "Regulations").

#### **OBJECTIVE**

The objective of PDLP is to identify 'Legitimate Purpose', which will be considered as an exception for the purpose of sharing/procuring UPSI relating to the Company or its listed securities or proposed to be listed securities, if any.

#### **STRUCTURED DIGITAL DATABASE**

The Board of Directors shall ensure that a structured digital database is maintained and preserved containing the nature of UPSI, names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 of the Regulations, along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available for a period not less than eight years after completion of the relevant transaction. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database. For this purpose, internal controls shall include the following:

- i) All employees who have access to the UPSI are identified as Designated Person;
- ii) All the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of these Regulations;
- iii) Adequate restrictions shall be placed on communication or procurement of UPSI as required under these Regulations;
- iv) Lists of employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- v) All other relevant requirements specified under these Regulations;
- vi) Periodic process review to evaluate effectiveness of such internal controls.

#### **RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

The Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

## **SCHEDULE – 2**

### **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)**

#### **BACKGROUND**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter “Regulations”) has mandated every listed Company to formulate a written policy and procedures for inquiry in case of leak/suspected leak of unpublished price sensitive information (UPSI), to be approved by the Board of Directors of the company and to initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries. In this regard, this policy for the “Procedure of inquiry in case of leak of Unpublished Price Sensitive Information” (hereinafter referred to as ‘PIL’), for adoption.

#### **SCOPE**

The Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any Promoter, member of the Promoter Group, Director, Key Managerial Person, Insider, employee, designated person, support staff or any other known or un-known person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors’ / financiers’ confidence in the Company.

#### **OBJECTIVES**

- i) To strengthen the internal control system to prevent leak of UPSI.
- ii) To restrict and prohibit the practice of sharing of UPSI, with un-authorized persons, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors’ / financiers’ confidence in the company.
- iii) To have a uniform code to curb the un-ethical practice of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.
- iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India (“SEBI”) promptly.
- v) To penalize any Insider, Employee & Designated Persons who is/are found guilty of violating this policy.

#### **DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:**

On becoming aware of actual or suspected leak of UPSI of the Company, the Compliance Officer shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in “**Annexure 7**” to this policy.

#### **REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI**

On becoming aware of actual or suspected leak of UPSI of the Company, the Compliance Officer shall ensure that a report on such actual or suspect leak of UPSI, preliminary inquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in “**Annexure 8**” to this policy.



## **CONSTITUTION OF INQUIRY COMMITTEE**

The Inquiry Committee shall consist of minimum 3 (three) Members which shall include any one Director, Chief Financial Officer and Compliance Officer and any other officer of the Company as may be mutually decided by the members of the Committee, on a case to case basis.

### **DUTIES OF INQUIRY COMMITTEE:**

The Inquiry Committee shall be responsible:-

- i) To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- ii) To authorize any person to collect necessary support material; and
- iii) To decide disciplinary action thereon.

### **PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI:**

On becoming aware suo-moto or otherwise, of actual or suspected leak of UPSI of the Company by any Insider or any other known or un-known person, the Compliance Officer after informing the same to the Managing Director and/or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to inquire and/or investigate the matter:

#### **i) Preliminary Inquiry:**

Preliminary inquiry is a fact-finding exercise. The object of preliminary inquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

The Inquiry Committee may appoint and/or authorize any person(s)/expert, as it may deem fit, to initiate/conduct an inquiry, to collect relevant facts or material substances on actual or suspected leak of UPSI.

Any member of the Committee or other officer who has any conflict of interest with the matter, shall disclose his/her concern/interest forthwith and shall not deal with the matter.

#### **ii) Report of Preliminary Inquiry to the Inquiry Committee:**

The Person(s) appointed/authorized to inquire into the matter of actual or suspected leak of UPSI shall submit his/her report to the Inquiry Committee within 7 days from the date of his appointment on this behalf, or within such reasonable time, as may be allowed by the Inquiry Committee, keeping into view the facts and circumstances of the case.

#### **iii) Disciplinary Action:**

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, clawback, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

## ANNEXURE – 1

### SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date:

To,  
The Compliance Officer,  
The Indian Card Clothing Company Limited,  
“Katariya Capital”, A-19, Vidyut Nagar Society,  
Lane No. 5, Koregaon Park,  
Pune – 411001.

Madam/Sir,

#### **SUB : 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:

01)	Name of the applicant		
02)	Designation		
03)	Number of securities held as on date		
04)	Folio No. / DP ID / Client ID No.		
05)	The Proposal is for		a) Purchase of securities b) Subscription of securities c) Sale of securities
06)	Proposed date of dealing in securities		
07)	Estimated number of securities proposed to be acquired/subscribed/sold		
08)	Price at which the transaction is proposed		
09)	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.

Thanking you,

Yours faithfully,

(Signature of Employee)

Encl: As above

## ANNEXURE – 2

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

#### UNDERTAKING

To,  
The Indian Card Clothing Company Limited,  
Pune.

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.

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

Date :

Signature : \_\_\_\_\_

\* Indicate number of shares

**ANNEXURE – 3**  
**FORMAT FOR PRE-CLEARANCE ORDER**

Date :

To,

Name : \_\_\_\_\_  
Designation : \_\_\_\_\_  
Place : \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (nos) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 trading days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,  
for The Indian Card Clothing Company Limited,

(Compliance Officer)

Encl: Format for submission of details of transaction

## ANNEXURE – 4

### FORMAT FOR DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 trading days of transaction / dealing in securities of the Company)

Date:

To,  
The Compliance Officer,  
The Indian Card Clothing Company Limited,  
“Katariya Capital”, A-19, Vidyut Nagar Society,  
Lane No. 5, Koregaon Park,  
Pune – 411001.

I hereby inform that I:

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to \_\_\_\_ securities as mentioned below on \_\_\_\_ (date)

Name of the holder	No. of Securities dealt with	Bought/Sold/Subscribed	DP ID / Client ID / Folio No.	Price (In Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval (applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

## ANNEXURE 5

### FORMAT FOR INITIAL DISCLOSURE BY PROMOTER, KEY MANAGERIAL PERSONNEL (KMP), DIRECTOR AND OTHER SUCH PERSONS AS MENTIONED IN REGULATION 6(2) IN RESPECT OF SECURITIES OF THE COMPANY HELD BY THEM ON THE DATE OF BECOMING PROMOTER/APPOINTMENT OF DIRECTOR/KMP

[Regulation 7 (1) (b) read with Regulation 6 (2)]

Name of the Company : \_\_\_\_\_

ISIN of the company : \_\_\_\_\_

#### Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & address with contact numbers	Category of Person (KMP / Director/ Promoter or member of the promoter group/ immediate relative/others etc.)	Date of appointment of KMP /Director / or Date of becoming Promoter / member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter		% Shareholding	Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
			Type of securities (eg. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.		Contract specifications	Number of units (contracts* lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9	10	11	12

**Note:** i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

ii) In case of Options, notional value shall be calculated based on premium plus strike price of options

Date : \_\_\_\_\_

Name & Signature : \_\_\_\_\_

Place : \_\_\_\_\_

Designation : \_\_\_\_\_

## ANNEXURE 6

### FORMAT FOR CONTINUAL DISCLOSURE BY PROMOTER, EMPLOYEE AND DIRECTOR AND OTHER SUCH PERSONS AS MENTIONED IN REGULATION 6(2) IN RESPECT OF CHANGE IN THEIR HOLDING OF SECURITIES OF THE COMPANY

[Regulation 7 (2) read with Regulation 6 (2)]

Name of the Company : \_\_\_\_\_

ISIN of the company : \_\_\_\_\_

#### Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoter/ member of the promoter group/designated person/ Directors/immediate relative to/others etc.)	Securities held prior to acquisition/ disposal		Securities acquired / Disposed				Securities held post-acquisition/disposal		Date of allotment advice/ acquisition of shares/ disposal of shares, specify		Date of intimation to company	Mode of acquisition /disposal (on market/public/rights / preferential offer/off market/ Inter-se transfer, ESOPs, etc.)	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of share holding	Type of securities (For Shares, Warrants, Convertible Debentures, Rights entitlement)	No.	Value	Transaction Type (Purchase/sale Pledge / Revocation / Invocation/ Others-please specify)	Type of securities (For e.g.– Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of shareholding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

**Note:** i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

ii) Value of transaction excludes taxes/brokerage/any other charges.

Date : \_\_\_\_\_

Place : \_\_\_\_\_

Name & Signature : \_\_\_\_\_

Designation : \_\_\_\_\_

## ANNEXURE 7

### FORMAT FOR INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE STOCK EXCHANGES

Date :

To  
BSE Limited  
P. J. Towers, Dalal Street,  
Fort, Mumbai – 400 001  
Ref.: BSE Scrip Code No. \_\_\_\_\_

To  
National Stock Exchange of India Ltd,  
Exchange Plaza, Bandra (East),  
Mumbai - 400 051.  
Symbol: \_\_\_\_\_

Madam / Sir,

**SUB : Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

.....  
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows:

Name of Offender, if known	
Name of Organization	
Designation: (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully  
For The Indian Card Clothing Company Limited

Compliance Officer  
M. No.



## ANNEXURE 8

### FORMAT FOR REPORTING ACTUAL OR SUSPECTED LEAK OF UPSI TO THE SEBI

Date :

To,  
Securities and Exchange Board of India  
Plot No. C 4-A, G Block,  
Near Bank of India, Bandra Kurla Complex,  
Bandra East, Mumbai – 400 051

Ref.: BSE Scrip Code No. \_\_\_\_\_ ; NSE Symbol

Madam / Sir,

**SUB : Report of actual or suspected leak of UPSI pursuant to regulation 9A  
(5) of SEBI (Prohibition of Insider Trading) Regulation, 2015**

.....

Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows:

Name of Offender, if known	
Name of Organization	
Designation: (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully  
For The Indian Card Clothing Company Limited

Compliance Officer  
M. No.