

## Code of Conduct for Prevention of Insider Trading in Axtel Industries Ltd.

(As revised and approved in Board Meeting dated 26th March, 2019 and the amendments made in this code shall become effective from 01st April, 2019)

**Applicable to:** Insiders

### **Purpose:**

The objective of the Code is to ensure protection of Unpublished Price Sensitive Information ('UPSI'), leakage of UPSI; and to regulate, monitor and report trading by its Designated Persons. The Designated Person as defined in the Code shall be prohibited, from communicating, providing or allowing access to any UPSI, relating to a Company or securities listed or proposed to be listed on the stock exchanges, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

### **1. General Principles**

- 1.1. **Axtel Industries Ltd.** ("Axtel Industries Ltd." or the "Company") endeavours to preserve the confidentiality of Unpublished Price Sensitive Information (as hereinafter defined) and to prevent misuse of such information. The Company is committed to high standards of corporate governance, transparency and fairness in dealing with its shareholders and in ensuring adherence to all applicable laws and regulations of India.
- 1.2. The underlying principles in defining the code of conduct to the Insiders are to:
  - 1.2.1. Help to maintain the standards of business conduct in line with the stated values of Axtel Industries Ltd.
  - 1.2.2. Help Insiders in striving to perform their duties according to the highest ethical standards of honesty, integrity, accountability, confidentiality and independence.
  - 1.2.3. Ensure confidentiality of all material non-public information about Axtel Industries Ltd. or Unpublished Price Sensitive Information, its business and affairs and make no use of it other than for furtherance of Axtel Industries Ltd.'s interest.
  - 1.2.4. Ensure compliance of all applicable laws and regulations including Axtel Industries Ltd.'s internal Codes of Conduct and Policies.
  - 1.2.5. Ensure and enable Axtel Industries Ltd. to achieve the highest standards of corporate governance.
- 1.3. The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Securities and Exchange Board of India (Prohibition of Insider Trading)

(Amendment) Regulations, 2018 (collectively referred to as the “**Regulations**”) make it mandatory for every listed public company to lay down a “Code of Conduct” to be observed by its directors, officers, employees and other connected persons.

1.4. This document embodies Axtel Industries Ltd.’s Code of Conduct for Prevention of Insider Trading in Securities (hereinafter referred to as the “**Code**”) and encapsulates the restrictions, formats and rules of conduct to be followed by Insiders, and is intended to serve as a guiding charter for all persons associated with its functioning. It is necessary that all Insiders are fully aware of the provisions of this Code. This Code is in addition to, and not in substitution of the Regulations, and it is important that Insiders are aware of and comply with the provisions of the Regulations as well.

1.5. The procedures and guidelines contained herein are intended to deal with the most common practical implications of the above principles, but they cannot deal specifically with every potential situation that may arise. Where any Insider is in doubt as to how a particular situation should be dealt with under this Code, he may consult with the Compliance Officer (as hereinafter defined).

1.6. This Code shall apply to all Insiders. (As defined herein below)

## **2. Definitions and Interpretation**

2.1. For the purpose of the Code:

2.1.1. “**Act**” means the Securities and Exchange Board of India Act, 1992, as may be amended from time to time.

2.1.2. “**Board**” means the Board of Directors of Axtel Industries Ltd.

2.1.3. “**Code**” means this Code of Conduct for Prevention of Insider Trading in the Securities, as amended by the Board from time to time.

2.1.4. “**Company**” means Axtel Industries Ltd.

2.1.5. “**Compliance Officer**” has the meaning as prescribed to it in Clause 3.

2.1.6. “**Connected Person**”

(i) means any person who is or has during the six months prior to the concerned act been associated with Axtel Industries Ltd., 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 director, officer or an employee of Axtel Industries Ltd. or holds any position including a professional or business relationship between himself and Axtel Industries Ltd. 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;

1. Dependants of persons specified in clause 2.1.6 (i) mentioned above; or
2. A holding company or associate company or subsidiary company of Axtel Industries Ltd., if any; or
3. an intermediary (as specified in section 12 of the Act), of Axtel Industries Ltd., if any or an employee or director thereof; or
4. an investment company, trustee company, asset management company, of Axtel Industries Ltd., if any, or an employee or director thereof; or
5. an official of a stock exchange or of clearing house or corporation on which Securities have been listed or traded; or
6. 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
7. 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
8. an official or an employee of a self-regulatory organization recognised or authorized by SEBI; or
9. a banker of Axtel Industries Ltd.; or
10. a concern, firm, trust, Hindu undivided family, company or association of persons, wherein a director of Axtel Industries Ltd. or his Dependant, or banker of Axtel Industries Ltd., has more than ten per cent of the holding or interest;

2.1.7. **“Deemed Insider”**; means and includes;

(iii) Dependents of the Insiders;

(iv) Trustees of any trust, the beneficiaries of which include any of the Insiders;

(v) Trustees of any trust, who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company, wherein any of the Insiders are holding interest;

(vi) a concern, firm, trust, Hindu undivided family, company or association of persons wherein any of the Insiders directly or indirectly owns shares or interest in;

2.1.8. **“Dependent”**, with respect to any person, means the parents, siblings, spouse, children, children of the spouse (whether minors or adults) of such person who are either financially dependent on such person or consult with such person while taking decisions relating to trading in securities.

2.1.9. **Designated Person**” will include the following:

(1) The Promoter of the Company;

(2) All the functional heads and employees of the Company at the designation of President, Manager and above;

(3) President / CEO or Person in-charge of material subsidiary, if any of the Company;

(4) Members of the Board of Directors of the Company including, executive or non-executive or independent or nominee directors;

(5) Chief Financial Officer;

(6) Company Secretary;

(7) All Employees of the Company working in Finance & Accounts, Taxation, Secretarial, Corporate Communications, IT and Legal Departments;

(8) Employees up to two levels below Managing Director/ Whole time Director of the Company and its material subsidiary, if any;

(9) Immediate relatives of the persons mentioned in (1) to (8);

(10) any other employee designated by the Compliance Officer, either for a specific period of time or for an indefinite period of time, based on such person's role, function, designation and seniority in Axtel Industries Ltd. and the extent to which such person may have access to Unpublished Price Sensitive Information.

2.1.10. "**Director**" means a member of the Board.

2.1.11. "**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis.

2.1.12. "**Insiders**" means collectively all the **Employees, Directors, Promoters, Designated persons, connected persons and who have accessed to Unpublished Price Sensitive Information and includes all Deemed Insiders.**

2.1.13. "**Regulations**" means the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended.

2.1.14. "**SEBI**" means Securities and Exchange Board of India.

2.1.15. "**Securities**" means the securities of Axtel Industries Ltd. which includes:

1. shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature;
2. puts, calls or any other option on the Company's securities even though they are not issued by the Company;
3. futures, derivatives and hybrids; and
4. such other instruments as may be declared to be such by the Compliance Officer from time to time.

2.1.16. **“Stock Exchange”** mean the stock exchanges where any Securities of Axtel Industries Ltd. are listed.

2.1.17. **“Trading”** or **“Trade”** means subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in Securities, including without limitation (a) selling of vested and exercised ESOPs, by any person either as principal or agent or (b) creating or revoking a pledge or any security interest over the Securities.

2.1.18. **“Trading Day”** means a day on which the Stock Exchange is open for Trading

2.1.19. **“Trading Plan”** has the meaning as prescribed to in Clause 6

2.1.20. **“Trading Window”** has the meaning as prescribed to it in Clause 7.1.

2.1.21. **“Unpublished Price Sensitive Information”** includes any information which is not generally available information and relates directly or indirectly to Axtel Industries Ltd. and which, if published or made generally available, is likely to materially affect the price of Securities of Axtel Industries Ltd.

Explanation: The following shall be always deemed to be Unpublished Price Sensitive Information till it becomes generally available information:

1. periodical financial results of Axtel Industries Ltd.;
2. intended declaration of dividends (both interim and final);
3. issue of securities or buy-back of securities;
4. change in capital structure;
5. any major expansion plans or execution of new projects, new client / new project wins;
6. amalgamation, mergers or takeovers;
7. disposal of the whole or substantial part of the undertaking;
8. any significant changes in policies, plans or operations of Axtel Industries Ltd.;
9. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
10. changes in key managerial personnel;
11. Material events as described in Para A of Part A of Schedule III of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

2.2. All terms used in the Code, but not defined above shall have the meanings prescribed to them in the Act or the Regulations, as the case may be.

2.3. Interpretation

In this Code, unless the context otherwise requires:

2.3.1. Headings and underlining are for convenience only and shall not affect the interpretation or construction of this Code or any provisions contained herein.

2.3.2. Words importing the singular shall include the plural and vice versa; and words importing either gender shall include the other.

### **3. Compliance Officer**

3.1. The Company has appointed Mrs. Prerna Sudeep Bokil, Company Secretary & Compliance Officer of the Company, as the compliance officer ("**Compliance Officer**") for the purposes of this Code and the Regulations.

3.2. The Compliance Officer shall report to the Board. All reports with regard to the Regulations or the Code shall be submitted to the Whole time Director of the Company or the Chairman of the Audit Committee. For cases relating to the Chairman or the Whole time Director of the Company, the Compliance Officer shall report the matter to the Chairman of the Audit Committee of the Board.

3.3. In the absence of the Compliance Officer for any reason, any senior officer, reporting to the Board or the Whole time Director, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations, shall carry out the responsibilities of the Compliance Officer as required under this Code, and the Regulations.

### **4. Role of Compliance Officer**

4.1. The duties and responsibilities of the Compliance Officer are to enforce this Code. To enforce the Code, the Compliance Officer is authorized to seek such information from Insiders as required by this Code and to give such approvals as are specified by this Code.

4.2. The Compliance Officer shall maintain records of all declarations and disclosures received by him under the Code for a minimum period of 5 (five) years.

4.3. The Compliance Officer shall be responsible for disclosing to the stock exchange disclosures as required under the Regulations.

4.4. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, pre-clearing of Designated Persons' and their Dependents' trades (directly or through respective department heads as may be decided by the Company), monitoring of trades and the implementation of the Code under the overall supervision of the Board.

4.5. The Compliance Officer shall maintain a record of all the Designated Persons and also changes to the list from time to time.

4.6. The compliance officer shall confidentially maintain a list of such securities as a restricted list ("**Restricted List**") which shall be used as the basis for approving or rejecting applications for preclearance of trades.

- 4.7 The Compliance Officer shall be responsible for the approval of Trading Plans (as defined in Clause 6 below). The Compliance Officer shall also be responsible for notifying the Trading Plans to the stock exchanges on which Securities are listed.
- 4.8 The Compliance Officer shall maintain a record of trading window from time to time.
- 4.9 The Compliance Officer shall assist all the Whole time Directors, Connected Persons in addressing any clarifications regarding the Regulations and the Code.
- 4.10 The Compliance Officer shall be responsible for setting forth policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of “Unpublished Price Sensitive Information”, pre-clearance of trades of Designated Persons’, monitoring of trades, placing effective system of internal control including maintaining of list of personnel with whom UPSI is shared on need to know basis and the implementation of the Code under the overall supervision of the Board of the Company to prevent leakage of UPSI and insider trading.
- 4.11 Audit Committee shall review compliance of this Code once in a financial year; and adequacy of internal control system including its operative effectiveness with regard to prevention of insider trading.

## **5. Responsibilities of Insiders and Connected Persons**

### **5.1. Preservation of Unpublished Price Sensitive Information**

5.1.1. All Insiders and Connected Persons shall maintain strict confidentiality with respect to all Unpublished Price Sensitive Information. To this end, no Insiders or Connected Person shall:

1. pass on Unpublished Price Sensitive Information to any person; or
2. disclose Unpublished Price Sensitive Information to any Deemed Insiders or any business acquaintances, friends or any other person; or
3. discuss Unpublished Price Sensitive Information in public places where others might overhear; or
4. disclose Unpublished Price Sensitive Information to any other Insiders or Connected Person who does not need to know the information to do his or her job; or
5. give others the perception that he/she is trading on the basis of Unpublished Price Sensitive Information.

### **5.2. Need to Know**

Unpublished Price Sensitive Information is to be handled on a “need to know” basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within and outside Axtel Industries Ltd., who need to know such Unpublished Price Sensitive Information to

discharge their duty and whose possession of such Unpublished Price Sensitive Information will not give rise to a conflict of interest or appearance of misuse thereof.

Any insider who got the possession of UPSI on 'need to know' basis for legitimate purposes, performance of duties or discharge of legal obligations shall maintain confidentiality of the said UPSI and will be deemed to be considered as designated person and shall abide with the Code and the Regulation.

### **5.3. Chinese Walls**

5.3.1. Additionally, while dealing with or handling Unpublished Price Sensitive Information within Axtel Industries Ltd, shall establish policies, procedures and physical arrangements (collectively "Chinese Walls") designed to manage confidential information and prevent the inadvertent spread and misuse of Unpublished Price Sensitive Information, or the appearance thereof.

5.3.2. 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.

5.3.3. Where Chinese Walls arrangements are in place Insiders working within an Insider Area are prohibited from communicating any Confidential or Unpublished Price Sensitive Information to Insiders in Public Areas without the prior approval of the Compliance Officer.

5.3.4. Insiders 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.

5.3.5. Insiders 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.

5.3.6. The establishment of Chinese Walls does not suggest or imply that Unpublished Price Sensitive Information can be circulated freely within Insider Areas. The provision of Clause 5.2 shall be applicable within Insider Areas as well.

### **5.4. Limited access to confidential information**

Files containing Confidential or Unpublished Price Sensitive Information shall be kept secured. Computer files must have adequate security of login and password. Without prejudice to the above, Axtel Industries Ltd. shall follow such guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time after consultations with the person in charge of the IT teams.



## **5.5. Restrictions on Insiders or Connected Persons**

5.5.1. No Insider or Connected Person shall –

1. 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;
2. advise 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 counselling.

Provided that for the purposes of the Code, trading and advising any person to trade by a Deemed Insiders shall be deemed to have been done by the concerned Insiders and such Insiders shall be liable to comply with all the provisions of the Code as may be applicable to such dealings and advice. The Insiders shall ensure that the Deemed Insiders complies with all the provisions of this Code. Nothing contained herein shall preclude the insiders or Connected Person to trade in the Securities of Axtel Industries Ltd. in the ordinary course of business without being in possession of Unpublished Price Sensitive Information.

5.5.2. Each Insiders and Connected Person shall ensure that their respective wealth managers, portfolio managers or similar persons do not trade in the securities of Axtel Industries Ltd. on behalf of any Insiders or Connected Person, unless such Insiders or Connected Person is permitted to trade in the securities of Axtel Industries Ltd. in accordance with this Code.

## **5.6. Declaration required from all Designated Persons**

5.6.1. All Designated Persons of the Company shall declare to the Compliance Officer, his/her shareholding in Axtel Industries Ltd. and the shareholding of his/her Dependents in Axtel Industries Ltd. as on date in the format prescribed in **ANNEXURE- 1**.

5.6.2. Any employee of Axtel Industries Ltd. upon being designated by the Compliance Officer as a Designated Person or joining the company as a Designated Person shall within 7 (seven) calendar days shall declare to the Compliance Officer, his/her shareholding in Axtel Industries Ltd. and the shareholding of his/her Dependents in Axtel Industries Ltd. in the format prescribed in **ANNEXURE- 1**.

## **5.7. Restrictions on opposite transactions and short selling**

5.7.1. Contra Trade

1. 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 6 (six)

months following the prior transaction (“Contra Trade”). All Designated Persons shall also not take positions in derivative transactions in the Securities of the Company at any time.

2. 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 to Clause 5.7.1 (i), 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.

3. In the event that a 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.

#### 5.7.2. Short Selling

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

### 6. Trading Plan

6.1. All Insiders and Connected Persons shall be entitled to formulate a trading plan in accordance with Clause 6.2 (“**Trading Plan**”). The Trading Plan so formulated shall be presented to the Compliance Officer and for public disclosure and such persons may trade only in accordance with his Trading Plan.

6.2. The Trading Plan shall;

6.2.1. not entail commencement of trading on behalf of the Axtel Industries Ltd. or Connected Person earlier than 6 (six) months from the public disclosure of the plan;

6.2.2. not entail trading of Securities 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 Company and the second Trading Day after the disclosure of such financial results;

6.2.3. entail trading for a period of not less than 12 (twelve) months;

6.2.4. not entail overlap of any period for which another trading plan is already in existence;

6.2.5. 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 (which shall not exceed more than 1 (one) week) at, or dates on which such trades shall be effected; and

6.2.6. not entail trading in securities for market abuse.

6.3. The Compliance Officer shall review the Trading Plan to assess whether such plan would have any potential for violation of the Regulations and shall be entitled to seek such express

undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

6.4. The Trading Plan once approved shall be irrevocable and the Insiders shall mandatorily have to implement the Trading Plan and shall not be entitled to deviate from it or to execute any trade outside the scope of the Trading Plan.

## **7. Trading Window**

7.1. The Company shall specify a trading period for trading in the Securities (“**Trading Window**”).

7.2. Unless otherwise specified by the Compliance Officer, the Trading Window shall be:

7.2.1. in respect of declaration of financial results (standalone & consolidated, if any), the Trading Window can be closed from the end of every quarter till 48 hours after the declaration of financial results. Designated persons shall not trade in securities when trading window is closed.

7.2.2. *inter alia* be closed 2 (two) calendar days prior to and 2 (two) calendar days after

1. any intended announcements regarding amalgamation, mergers, takeovers and buy- back, disposal of whole or substantially whole of the undertaking, issue of Securities by way of public/ rights/bonus etc., any major expansion plans or execution of new projects,
2. any changes in policies, plans or operations of the Company that could have a material impact on its financial performance, and

7.3. The Trading Window shall remain closed during the time the Unpublished Price Sensitive Information remains un-published. The Trading Window shall be opened 48 (Forty Eights) hours after the Unpublished Price Sensitive Information is made public.

7.4. All Designated Persons (and their Dependants) shall conduct all their dealings in the securities only when the Trading Window is open and no Designated Person shall deal in the Securities during the period when the Trading Window is closed or during any other period as may be specified by the Compliance Officer from time to time.

7.5. In addition to the above, the Compliance Officer may after consultation with any two Directors, declare the Trading Window closed, on an “as-needed” basis for any reason.

7.6. Despite the Trading Window being open, Designated Persons (and their Dependants) would only be allowed to Trade subject to the conditions specified in Clause 8 below and provided that they are not in possession of any Unpublished Price Sensitive Information at the time they carry out the transaction.

## **8. Pre clearance of transactions in Securities**

### **8.1. Applicability**

8.1.1. All Insiders who (or whose Dependent) intends to Trade in the securities in a calendar quarter (either in one transaction or in a series of transactions) of a consideration price exceeding Rs. 10,00,000 (Rupees Ten Lakhs) for the Securities should obtain a prior approval for the transactions as per the procedure described hereunder. This is a mandatory requirement even when the trading window is open. Insiders (who is not a Designated Person) needs to apply for pre-clearance only if he/she or his Dependent intends to trade beyond the threshold limits mentioned above except for off-market inter-se transfer between insiders who are in possession of UPSI.

8.1.2. All Designated Persons who (or whose Dependent) intends to trade in the securities should obtain a prior approval for the transactions as per the procedure described hereunder. This is a mandatory requirement even when the trading window is open.

8.1.3. Any insider who carries on any transaction or series of transaction to circumvent this clause shall be in violation of this Code.

### **8.2. Procedure for the purpose of obtaining a prior approval to a transaction**

The Insider or Designated Person (as the case may be) should make an application, in the prescribed form to the Compliance Officer (**ANNEXURE 2**). Such application should be complete and correct in all respects and should be accompanied by such undertakings, declarations, indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time to time, in the prescribed form.

### **8.3. Approval**

8.3.1. The Compliance Officer shall consider the application made as above and shall approve it, unless he/she is of the opinion that the grant of such approval would result in a breach of the provisions of the Code, or the Regulations or the Act or any other law in force at that time.

8.3.2. The Compliance Officer shall be entitled to seek declarations to the effect that the Insiders or Designated Person (as the case may be) applying for pre-clearance is not in possession of any unpublished price sensitive information. The Compliance Officer shall also have the discretion to assess and decide as to whether such declarations are factually accurate.

8.3.3. Every approval letter shall be in such format as may be prescribed by the Company from time to time (**ANNEXURE 3**).

8.3.4. The Compliance Officer shall convey his decision to the Insiders or Designated Person (as the case may be) within 2 (two) Trading Days of receipt of the application. If the Compliance Officer does not respond within 2 (two) Trading Days, it shall be deemed to be a rejection of the application.

8.3.5. Every approval shall be dated and shall be valid for a period of 7 (seven) calendar days or such lesser period as prescribed in the approval.

8.3.6. All transactions involving the Compliance Officer shall be approved by the Whole time Director.

#### **8.4. Completion of approved transaction**

8.4.1. All Insiders and Designated Persons shall ensure that they complete execution of every approved transaction in the securities as provided in Clause 8.3.5 within the expiry of the approval period and send within 2 (two) Trading Days of execution of the transaction, the details of such transaction, with the Compliance Officer in such format as may be prescribed by the Company from time to time.

8.4.2. If a transaction is not executed within the approval period, the Insiders or Designated Person (as the case may be) must apply to the Compliance Officer for pre clearance of the transaction, if they intend to transact again.

#### **8.4.3. Disclosure to Axtel industries Ltd. and stock exchanges**

1. (i) Transactions by Insiders in accordance with Clause 8.1.1, and transactions by Designated Persons in accordance with Clause 8.1.2, are required to be disclosed by such persons to the Company within 2 (two) Trading Days of the transaction.

2. (ii) Additionally, transactions by Insiders in accordance with Clause 8.1.1, and transactions by Designated Persons in accordance with Clause 8.1.2 in which the consideration price for Securities exceeds Rs. 10,00,000/- (Rupees Ten Lakhs); are required to be disclosed by the Company to the stock exchanges within 2 (two) Trading Days of receipt of disclosure from Insiders or Designated Persons (as the case may be).

The disclosures required to be made by any person under this Clause 8 shall extend to such person's Dependents or any other person financially dependant on such person or any person who consults with such person while taking trading decisions. Additionally the disclosures requirements under this Clause would be required to be made irrespective of the transaction being pre-approved pursuant to Clause 8.

## **8.5. Holding Period**

8.5.1. All Insiders and Connected Persons shall hold their investments in Securities (including shares allotted pursuant to ESOP) for a minimum period of 30 (thirty) calendar days in order to be considered as being held for investment purposes. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard.

8.7.2. The Company shall be entitled to disclose to all the stock exchanges where its securities are listed, the information provided by Designated Persons to the Compliance Officer in accordance with the Code.

## **9. Penalty for Contravention**

9.1. Every Insider is individually responsible for complying with the applicable provisions of the Code (including to the extent the provisions hereof are applicable to his/her Deemed Insiders).

9.2. Any person who violates this Code shall be deemed to be in violation of the Company's integrity policy, the penalty for which shall be decided as per the discretion of the Compliance Officer after discussion with the Audit Committee and whether the violation was intentional or unintentional.

9.3. For a transaction involving the Chairman of the Company, the Chairman of the Audit Committee shall decide the penalty and whether the violation was intentional or unintentional.

9.4. Where necessary, the Company shall inform the SEBI and any other applicable regulatory authority for any instances of violation of this Code or the Regulations which comes to the Company's knowledge. In addition to the action taken by the Company, the Insiders who violated the provisions of this Code shall provide any information required by and comply with any order passed by SEBI or other regulatory authorities under any other applicable laws/rules/regulations.

## **10. Interpretation or clarification**

In case any difficulty or doubt arises in the interpretation of the Code, the matter shall be referred to any two Directors and their decision shall be final and binding. If the issue involves any act or matter involving the Chairman, the Chairman of the Audit Committee shall decide upon such issue.

## **11. Enquiries**

For any questions regarding whether they possess or have access to Unpublished Price Sensitive Information, Insiders and Connected Persons may contact the Compliance Officer.

## **12. Disclaimer**

The Code is the internal policy of the Company to prevent Insiders, Deemed Insiders and Connected Persons who are considered by the Company to be insiders of the Company for the purposes of the Regulations, from Trading. It is however the responsibility of each Insiders, Deemed Insiders and Connected Person to ensure compliance with the provisions of the Regulations and other related laws. The Company shall not be responsible or liable for any violation or contravention by any Insiders, Deemed Insiders or Connected Person, of the Regulations or other related laws.

## **13. Provision of Unpublished Price Sensitive Information**

Nothing herein contained shall be considered as obligating the Company in any way to furnish to any Insiders or Connected Person with any Unpublished Price Sensitive Information.

## **14. Action in case of default**

Without prejudice to the directions under Regulation 10 of the Regulations, if any person violates provisions of this Code, he shall be liable for appropriate action under Sections 11, 11B, 11D, Chapter VIA and Section 24 of the Act.

## **15. Others**

15.1. Any two Directors and the Compliance Officer are authorized to make minor modifications to this Code which would remove ambiguities, enhance clarity on the provisions of the Code etc. Any major modification to the Code will require authorization by the Board.

16.2. Where Axtel Industries Ltd. engages a service provider who is a Connected Person the head of the department at Axtel Industries Ltd. which engages such Connected Person is responsible for communicating the requirements of this Code to such Connected Person and verify whether such Connected Person has a similar code of conduct applicable to its employees to prevent such persons from misusing Unpublished Price Sensitive Information of Axtel Industries Ltd., as well as the efficacy of implementation of such code by those Connected Persons.

## **Annual Disclosures**

Every Designated Person shall also provide in Annual Disclosure and as and when the information changes, the names and PAN or any other identifier authorized by law of the following persons to the Company in the format specified within 30 days from the end of the year/ change of information:

- a) immediate relatives

- b) persons with whom such designated person(s) shares a material financial relationship
- c) phone, Mobile and cell numbers which are used by them

“Material financial relationship” mean 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 but shall exclude relationships in which the payment is based on arm’s length transactions.

The transaction pertaining to off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of the Regulation, such off-market trade(s) shall be disclosed by the insiders to the company in **Annexure-4** within two working days.

Further, in terms of Regulation 4(1)(i) of the Regulations, the company shall notify the particulars of such trading to the stock exchanges on which the securities are listed, within two trading days of receipt of the disclosure or from becoming aware of such information



## ANNEXURE 1

### FORMAT FOR INITIAL DISCLOSURE OF SECURITIES

The Compliance Officer,  
Axtel Industries Limited

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on \_\_\_\_\_ (date of becoming Specified Person).

#### I. Details of securities held by me:

Type of Securities	No. of securities held	Folio No	Beneficiary Client ID	A/c

#### II. Details of dependent(s):

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Procedures and Conduct for Prevention of Insider Trading, I hereby declare that i have the following dependents:

Sr. No.	Name of the dependent	Relation with Director / Officer / Designated Employee

#### III. Details of securities held by dependent(s) :

Name of Relative	Relationship	Type of securities	No. of Securities held	Folio No	Beneficiary A/c Client ID

Date :

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

## ANNEXURE 2

### SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date:

To,  
The Compliance Officer,  
Axtel Industries Limited

Dear Sir/Madam,

#### Application for Pre-dealing approval in securities of the Company

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

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

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)

Axtel Industries Limited

**ANNEXURE 3**

**FORMAT FOR PRE- CLEARANCE ORDER**

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 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

**For** Axtel Industries Limited

**COMPLIANCE OFFICER**

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

Encl: Format for submission of details of transaction

## ANNEXURE 4

### FORMAT FOR DISCLOSURE OF TRANSACTIONS

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

To,  
The Compliance Officer,  
Axtel Industries Limited

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 holder	No. of securities dealt with	Bought/sold/subscribed	DP ID/Client ID / Folio No	Price (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).

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

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

Name:

Designation:

**ANNEXURE 5****DISCLOSURE OF CHANGE IN SHAREHOLDING**

The Compliance Officer,  
Axtel Industries Limited

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of change in holding of securities of the Company:

Name, PAN No. & address of shareholder	No. of securities held before the transaction	Receipt of allotment advice/ acquisition of /sale of securities	Nature of transaction & quantity			Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed
			Purchase	Sale	Others		

**Details of change in securities held by dependant family members:**

Name, PAN No. & address of shareholder and relationship	No. of securities held before the transaction	Receipt of allotment advice/ acquisition of /sale of securities	Nature of transaction & quantity			Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed
			Purchase	Sale	Others		

I/We declare that I/We have complied with the requirement of the minimum holding period of six months with respect to the securities purchased/sold.

I hereby declare that the above details are true, correct and complete in all respects.

Date:

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

## **ANNEXURE 6**

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

To,  
Axtel Industries Limited,

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