

Bambino Agro Industries Limited

CODE OF CONDUCT TO REGULATE, MONITORING & REPORTING OF TRADING BY INSIDERS

(w.e.f. From 14th May 2015)

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[As per SEBI (Prohibition of Insider Trading Regulation, 2015 & further amendments made from time to time)]

1. Introduction

Insider trading has been prohibited through legislation in most of the western countries for the last several years. In India, there was no regulation-governing insider trading until 1992, when Securities and Exchange Board of India ("**SEBI**") framed the Insider Trading Regulations.

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'The Regulations').

Regulation 9 of the **Regulations** requires inter alia all listed companies to set up an appropriate mechanism and formulate a code of conduct to regulate, monitor and report trading by its employees & other connected persons towards achieving the compliances and enforce a code of internal procedures and conduct based on the standard specified in **Schedule B** of the Regulation.

Bambino Agro Industries Limited (BAL) has formulated this Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders (Code). All the Directors, Designated Persons, officers and other connected persons of BAL are governed by the Code.

The Code is effective from 14th May 2015 and duly adopted by the Board on 28th May 2015 . This code will be further modified subject to various amendments as per SEBI Regulations from time to time.

2. Objective

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

Every Designated Person and their immediate relative including Promoter(s), Member of the Promoter Group, Director(s), Officer(s), Insider(s) and Connected person(s) of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Promoter(s), Director(s), Officer(s), Insider(s) and Connected person(s) show use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating or counseling others with respect to the securities of the Company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence.

To achieve these objectives, BAMBINO AGRO INDUSTRIES LIMITED (hereinafter referred to as "the Company") hereby notifies that this code is to be followed by all Designated Person and their immediate relative including Promoter(s), Member of the Promoter Group, Director(s), Officer(s), Insider(s) and Connected person(s) of the Company.

3. Definition of terms

In these regulations, unless the context otherwise requires, the following words, expressions and derivations there of shall have the meanings assigned to them as under:-

- (a) **“Act”** means the Securities & Exchange Board of India Act, 1992 (15 of 1992);
- (b) **“Board”** means the Securities and Exchange Board of India;
- (c) **“compliance officer”** means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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 codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.
- (d) **“connected person”** means,-
 - i. any person who is or has during the six months prior to the concerned resolution 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 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;
- (e) **“Designated Person”** includes CEO and upto 2 levels below CEO and all employees in the top management cadre (up to the level of General Managers in case of other departments and Assistant General Manager and above in the Finance & Accounts department) and Personal Assistants / Secretaries of the Chairman & Managing Director, Whole-Time-Director, Executive Directors, President/Chief Financial Officer & Head of the Division of the company and supporting staff like IT Personnel etc. and other persons as may be notified from time to time by the Board of Director of the company.
- (f) **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis;
- (g) **“Immediate relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
- (h) **“Insider”** means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (i) **“Officer(s) of the Company”** means any director, secretary, or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act including an auditor of the company.
- (j) **“Pre-clearance of Trade”** means prior approval for trading / dealing in the securities of the company.
- (k) **“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;
- (l) **“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;
- (m) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- (n) **“Specified”** means specified by the Board in writing;
- (o) **“Takeover regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- (p) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;

- (q) **“Trading day”** means a day on which the recognized stock exchanges are open for trading;
- (r) **‘Trading Window’** means the period which is not a ‘Window Close Period’ for trading in the Company’s Securities.
- (s) **"Unpublished price sensitive information"** 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) Dividend(s);
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel.
- (t) **“Window Close Period”** means
 - (i) the period beginning with end of every quarter till 48 hours after the declaration of financial results; or
 - (ii) the period commencing from the time of announcement of the meeting of the Board of Directors for consideration of all matters (other than financial results) which are deemed to be ‘price sensitive information’ and ending 48 hours after the public announcement of the decision taken by the Board of Directors at such meeting; or
 - (iii) such other period as may be notified by the ‘Compliance Officer’ from time to time, under the authority of Board of Director.

Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed.

4. Prohibition on Dealing, Communicating or Counseling on Matters relating to Insider Trading.

- (i) No Insider shall Communicate, provide, or allow access to any unpublished price sensitive information, relating to the company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (ii) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (iii) The Board of Directors of the Company shall make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8.

- (iv) Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (v) Notwithstanding anything contained in this regulation, unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would, after signing a nondisclosure obligation by the party or parties.
 - a. entail 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;
 - b. not attract 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.

5. Preservation of “unpublished Price Sensitive Information”

Every Designated Person and their immediate relative including Promoter(s), Member of the Promoter Group, Director(s), Officer(s), Insider(s) and Connected person(s) shall maintain the confidentiality of unpublished Price Sensitive Information. Insider shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities, except in the following circumstances.

- a. the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach any regulation and both parties had made a conscious and informed trade decision;
- b. the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 of SEBI (Prohibition of Insider Trading) Regulations, 2015 and both parties had made a conscious and informed trade decision;
- c. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- d. the transaction 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.
- e. in the case of non-individual insider(s): –
 - i. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

- ii. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information 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;
- f. The trades were pursuant to a trading plan set up in accordance with Regulation 5 of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- g. **Unpublished:**
Unpublished Price Sensitive Information is to be handled on a “need to know” basis, i.e., Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

6. Trading Plan

- a. An insider shall be entitled to formulate a trading plan 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.

Such 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.
- b. The trading plan has to be approved and monitored by the compliance officer of the Company.
 - c. The trading plan once approved shall be irrevocable.
 - d. The trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement.
 - e. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

7. Trading Restrictions

Every Designated Person and their immediate relative including Promoter(s), Member of the Promoter Group, Director(s), Officer(s), Insider(s) and Connected person(s) shall conduct all their dealings in the securities of the company only in a valid trading window and shall not enter into any transaction in the company's securities during the 'Window Close Period'.

8. Pre-clearance of transactions

- i Every Designated Person and their immediate relative including Promoter(s), Member of the Promoter Group, Director(s), Officer(s), Insider(s) and Connected person(s) of the company who intend to deal in the securities of the company in excess of **500 shares** or value of which exceeds **Rs. 10 Lakhs**, whichever is lower, **in one transaction or a series of transactions over a calendar quarter**, in any manner whatsoever, shall apply in the prescribed form to the Compliance Officer for pre-clearance together with necessary undertakings as prescribed in **Appendix-7** along with a statement of holdings at the time of pre-clearance as prescribed in **Appendices-6 or 6.1** (whichever is applicable).
- ii The Compliance Officer shall grant the approval or reject the application within two working days of the receipt of application for pre-clearance.
- iii Such persons shall execute the order for which pre -clearance has been obtained within seven working days of such approval. The details of the transaction shall be communicated to the compliance officer within four working days thereof. In case, the person is unable to execute the order within seven working days after the approval, a fresh application for pre-clearance (as mentioned above) shall be made.

9. Minimum Holding Period

Every Promoter(s), Director(s), Officer(s), Insider(s) and Connected person(s) of the company shall hold their investments in securities of the company including those procured in public offer(s) for a minimum period of 6 months. The holding period shall commence from the date of allotment in case of securities procured in public offer(s) and in other cases from the date of purchase. Under circumstances of personal emergency, such persons shall make an application (**Appendix-10**) to the Compliance Officer requesting a waiver of the holding period, explaining the reason for the same. The Compliance Officer may on being satisfied as to the urgency of the situation grant the waiver.

10. Disclosures Required to be Furnished

- A. All Promoter(s), Director(s), Officer(s), Insider(s) and Connected person(s) shall make disclosures to the Company as detailed below:
 - i. **Initial Disclosure,**
 - a. Every Designated Person and including Promoter(s), Member of the Promoter Group, key managerial person and director of the company and their immediate relative shall disclose his/her holding of securities of the company as on the date of these regulations taking effect, to the company within 30 days of these regulations taking effect: in **Form 'A' (Appendix-1)**
 - b. Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or 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 **Form 'A' (Appendix-1)**

ii. Continual Disclosures.

Every Designated Person and their immediate relative including Promoter(s), Member of the Promoter Group, key managerial personnel, 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 ten lakh rupees or such other value as may be specified; **Form 'B' (Appendix-2)**

- B. Statement in **Form 'C' (Appendix-3)** reflecting any change in the holdings since the last disclosure where such change exceeds Rupees 10 lakhs in value or 5000 shares or 1% of total shareholding or voting rights, whichever is lower, within four working days of –
 - i. the receipt of intimation of allotment of shares or
 - ii. the acquisition or sale of shares or voting rights, as the case may be.
- C. Quarterly statement(s) in **Form 'D' (Appendix-4)** furnishing details of transactions, if any, during the quarter and the total number of shares or voting rights held, by him and/or relative(s), his dependent family members (whichever applicable) within 4 working days of the end of each calendar quarter.
- D. Statement in **Form 'E' (Appendix-5)** disclosing the total number of shares or voting rights held, by him and/or relative(s), his dependent family members (whichever applicable), as at the end of the financial year of the company, within 30 days of the end of the financial year.
- E. Statement in **Form 'F' (Appendix-6)** or in **Form 'G' (Appendix-6.1)** as applicable, disclosing the holdings at the time of pre-clearance of a transaction.
- F. Application for preclearance of trade in the **Form 'H' (Appendix-7)**
- G. Preclearance order in the **Form 'I' (Appendix-8)**
- H. Confirmation of Deal in the **Form 'J' (Appendix-9)**
- I. Application for waiver of minimum holding period in the **Form 'K' (Appendix-10)**

11. Dealings Under The Pre-Clearance Procedure To Be Reported To The Committee Of Directors / Whole-Time-Director

The Compliance Officer shall place before the Whole-Time-Director / Committee of Directors, on a monthly basis the details of the dealings in the securities by directors, officers, designated persons and all connected persons and other documents accompanying the applications for pre-clearance.

12. Penalty/Punishment For Contravention Of Code

Any director, officer, designated persons and all connected persons of the company who trades in securities of the company or communicates any unpublished price sensitive information enabling the trading in securities of the company, in violation/contravention of this code shall be penalised of an amount as may be decided by the Committee of directors and shall also be subject to such disciplinary action as may be considered appropriate by the Whole-Time- Director / Committee of Directors of the company.

Disciplinary action may include wage freeze, suspension, recovery, clawback etc. ineligibility for future participation in employee stock option plans, withholding of promotion, etc. and also attracts the penalty specified in SEBI Act, and the Regulations thereof.

13. Intimation To SEBI

In case the Company observes that there has been violation of these Regulations, the company shall inform SEBI of such violations for appropriate action. SEBI can initiate necessary proceedings for violation of any of these Regulations.

14. Prohibition of Insider trading under the Companies Act 2013

The relevant provision of the Companies Act 2013 to be complied by every person including a director or key managerial personnel is as follows:-

(1) No person including any director or key managerial personnel of a company shall enter into insider trading:

Provided that nothing contained in this sub-section shall apply to any communication required in the ordinary course of business or profession or employment or under any law.

Explanation.—For the purposes of this section,—

(a) “insider trading” means—

(i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or

(ii) an act of counseling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person;

(b) “price-sensitive information” means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.

(2) If any person contravenes the provisions of this section, he shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both.

15. Clarifications / Enquiries

The Compliance Officer may be contacted for any assistance as to the interpretation and application of this Code.

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