

**IFB AGRO INDUSTRIES LIMITED**

**CODE OF CONDUCT**

**TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED  
PERSONS**

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## **IFB AGRO INDUSTRIES LIMITED**

### **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS**

**[in terms of Regulation 9(1) of the Securities and Exchange Board of India  
(Prohibition of Insider Trading) Regulations, 2015]**

**As originally approved by the Board of Directors on May 29, 2015 which was further revised by the Board of Directors in its meeting held on May 27, 2019**

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## **CHAPTER – I**

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### **INTRODUCTION**

Insider trading means dealing in securities of a company listed/ traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

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’).

Sub-regulation (1) of Regulation 9 inter-alia, requires all listed companies to frame a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons and immediate relatives of designated persons by adopting the minimum standards as set out in Schedule B to the Regulations.

Sub-regulation (1) of Regulation 8 requires all listed companies to formulate and publish on its website, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information by adopting the minimum standards as set out in Schedule A to the Regulations.

IFB AGRO INDUSTRIES LIMITED (“IFBAIL”) has formulated this Code of Conduct called “Code of Conduct to Regulate, Monitor and Trading by Designated Persons” (“Code”). All the Designated Persons and immediate relatives of the Designated Persons of IFBAIL are governed by the Code and they are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the Code.

This Code of Conduct may be modified by the Board of Directors from time to time to adopt best practices and to comply with the Regulations.

## 1. THE POLICY :

1.1 The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (“UPSI”) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. The Company is committed towards :

- i) preserving the confidentiality and preventing misuse of any unpublished price sensitive information about the Company or any of its securities;
- ii) adherence to transparency and fairness in dealing with all stakeholders of the Company; and
- iii) strict compliance with applicable regulations of the Securities and Exchange Board of India and the relevant provisions of the Companies Act, 2013.

1.2 No Designated Persons and immediate relatives of designated persons - when in possession of any unpublished price sensitive information about, or in relation to the Company or any of its securities shall:

- Trade or have dealings in the securities of the Company, either on his/her behalf or on behalf of any other person;
- Communicate, provide or allow access to, or counsel, directly or indirectly, any unpublished information relating to the Company or any of its securities, to any other person, except on a need to know basis in furtherance of legitimate purposes in relation to the Company.

1.3 All Directors, Key Managerial Personnel and /or Designated/Connected Persons or their Immediate Relatives shall conduct their trading in the securities of the Company only during or in a valid trading window strictly in compliance with this Code.

1.4 When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

## 2. APPLICABILITY

This Code shall be applicable to all the Designated Persons and immediate relatives of Designated Persons of IFBAIL and its subsidiaries.

## 3. DEFINITIONS

- (i) “**Act** ” means the Securities and Exchange Board of India Act, 1992 (15 of 1992) (including any amendment or re- enactment thereof);
- (ii) “**Board**” means the Board of Directors of the Company.

- (iii) **“Body corporate”** means a body corporate as defined under the Companies Act, 2013
- (iv) **“Code”** means this **“CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS”** including any modification(s) or amendment(s) made thereto from time-to-time or any replacement made thereof by the Company.
- (v) **“Company” or “the Company”** means **“IFB AGRO INDUSTRIES LIMITED”**
- (vi) **“Compliance Officer”** means the Company Secretary of the Company.
- (vii) **“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 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 recognized 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

(viii) **Designated Persons**” shall include:

- i) All Directors on the Board of Directors of the Company;
- ii) All promoters of the Company;
- iii) All connected persons of the Company;
- iv) All Key Managerial Personnel of the Company and its material subsidiaries;
- v) All executives at General Manager & above in Accounts, Finance & Secretarial department of the Company and its material subsidiaries;

any other employee of the Company and its material subsidiaries, as may be approved by the Board of Directors of the Company.

**Note 1:** Depending on the change in the scope of responsibility of an employee, the Compliance Officer with the approval of the Managing Director of the Company may exclude or include any employee from the list of Designated Person.

**Note 2 :**“Material Subsidiary” shall have the same meaning as defined in The Regulations.

- (ix) **“Free Period”** means any Period other than the Prohibited Period.
- (x) **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- (xi) **“Immediate relative ”** shall means a spouse of a person and includes parents, sibling, child of such person or of the spouse, any one of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- (xii) **“Informant”** means an individual(s), who voluntarily submits Voluntary Information Disclosure Form to the SEBI relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.
- (xiii) **“Insider”** means any person who is:
  - (i) a connected person , or
  - (ii) in possession of or having access to such unpublished price sensitive information.Furthermore, any person in receipt of UPSI 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.
- (xiv) **“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 counselling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person;
- (xv) **‘Investor Protection and Education Fund’** means the Investor Protection and Education Fund created by the Securities and Exchange Board of India under Section 11 of the Securities and Exchange Board of India Act, 1992
- (xvi) **“Prohibited Period” means;**
  - 1. Period as defined in clause 8.3 of this code
  - 2. Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman and Managing Director of the Company.
- (xvii) **“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.
- (xviii) **"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;
- (xix) **"SEBI"** means The Securities and Exchange Board of India constituted under The Securities and Exchange Board of India Act, 1992.
- (xx) **“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;
- (xxi) **“Trading”** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities and "trade" shall be construed accordingly.
- (xxii) **“Trading day”** means a day on which the recognized stock exchanges are open for trading.
- (xxiii) **“Trading Window”** shall have the meaning ascribed thereto in clause 8 of the Code.
- (xxiv) **“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. Periodical audited or un-audited financial results of the Company;
- ii. Intended declaration of dividends by the Company;
- iii. Issue of Securities of the Company or buy-back of Securities by the Company or any type of change in capital structure of the Company;
- iv. Any major expansion plans of or execution of new projects by the Company;
- v. Any amalgamation, mergers, de-mergers, acquisitions/takeovers, delisting proceedings and such other transactions involving the Company;
- vi. Disposal of the whole or a substantial part of the undertaking by the Company;
- vii. Any significant changes in policies, plans or operations of the Company;
- viii. Any proposed joint venture/ foreign collaboration and major consultancy work in India or abroad;
- ix. Any change in status of the Company;
- x. Any change in key managerial personnel of the Company;
- xi. Any other event as may be notified by the Company from time to time.

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.

## CHAPTER – II

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### **4 Compliance Officer**

The Company has appointed the Company Secretary as Compliance Officer who shall report to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board but not less than once in a year. In the absence of the designated/ appointed Compliance Officer, the Chairman shall be authorised to appoint a person to act as the Compliance Officer in the period of absence.

#### **4.1 Duties of Compliance Officer:**

- i) He shall maintain a record of Designated Persons and any changes made to the list of Designated Persons.
- ii) He may in consultation with the Managing Director and shall as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof.
- iii) He shall maintain a record of Prohibited Period specified from time to time.

- iv) He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Designated Persons, officers and connected persons for a minimum period of five years. The declarations may be taken and preserved in either physical form or electronic form.
- v) He shall place before the Managing Director, at regular intervals, all the details of the dealing in the securities by Directors, Designated Persons, officers and connected persons of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.
- vi) He shall assist all the employees/ directors in addressing any clarifications regarding Regulations and the Company's code of conduct.
- vii) He shall be responsible for overseeing and coordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Chairman/ Managing Director of the Company.
- viii) He shall ensure that prohibited period is intimated to all concerned at least 48 hours before the commencement of the said period.

#### **4.2 Maintenance of Records and Registers**

The Compliance Officer shall maintain:

- i. Register of Pre-clearance of trading of Securities and record therein the name and designation of the Designated Persons and their immediate relatives submitting the application, date of the application, date & time of receipt of the application, nature of the transaction, number of securities, consideration value, name of the dependent family member if the transaction is in the name of the dependent family member and date & details of the actual transaction.
- ii. Records of all the declarations in the appropriate form given by the Directors, Officers designated persons and their dependents for a minimum period of three years.
- iii. Reporting of Decisions not to trade after securing pre-clearance.

#### **5 Preservation of "Unpublished Price Sensitive Information"**

- 5.1 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. Further, Designated Persons and immediate relatives of designated persons in the Company may be governed by internal code of conduct governing dealing in securities of the Company, if any.

## **5.2 Need to Know**

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 for legitimate purposes, performance of duties or discharge of his legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

## **5.3 Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted/ destroyed after its use.

## **5.4 Chinese Wall**

- 5.4.1 To prevent the misuse of Unpublished Price Sensitive Information the Company has adopted a "Chinese Wall" policy whereby those areas of the Company which routinely have access to Unpublished Price Sensitive Information, considered "inside areas" are separated from areas which deal with sale/marketing/investment advise or other departments providing support services, considered "public areas".
- 5.4.2 The Designated Persons in the inside area shall not communicate any Unpublished Price Sensitive Information to any one in public area.
- 5.4.3 The Designated Persons in inside area may be physically segregated from Designated Persons in public area and the Company may choose to demarcate various departments as inside area.
- 5.4.4 Only in exceptional circumstances Designated Persons from the public areas may be brought "over the wall" and given Unpublished Price Sensitive Information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

Provided that nothing contained above shall be applicable to any communication of or access to Unpublished Price Sensitive Information required in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

However, the "Code of Practices and Procedures for fair disclosure of unpublished price sensitive information" and the Policy for determination of "Legitimate Purposes" as enumerated therein need to be adhered.

## CHAPTER – III

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### TRADING RESTRICTION & PREVENTION OF MISUSE OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”

All Directors, Designated Persons, officers and connected persons of the Company including their immediate relatives shall be subject to trading restriction as enumerated below:

#### 6 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. An application is to be made to the compliance officer as per the enclosed format (**Form -I**)

##### 6.1 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.

6.2 The Compliance Officer shall consider 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.

However, pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Further, trading window norms and restriction on contra trade shall not be

applicable for trades carried out in accordance with an approved trading plan.

- 6.3 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.

- 6.4 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 Window**

- 7.1 The period prior to declaration of Unpublished price sensitive information is particularly sensitive for transaction in the Company's securities. This sensitivity is due to the fact that the Directors, Designated Persons, officers and connected persons will, during that period, often possess unpublished price sensitive information.

The Directors, Designated Persons, officers, connected persons and their immediate relatives shall not trade in the company's securities when the trading window is closed. The period during which the trading window is closed shall be termed as Prohibited Period. The intimation of closure shall be made through email and/ or through the website of the Company. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

- 7.2 Unless otherwise specified by the Compliance Officer, the Trading Window for Dealing in Securities of the Company shall be closed for the following purposes-

- a. Financial results
- b. dividends
- c. change in capital structure
- d. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
- e. changes in key managerial personnel

7.3 The Trading Window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results, in case of declaration of financial results and during such time when the Compliance Officer determine, in other cases.

The closure of Trading Window for purposes other than declaration of financial results and for which a specific notice/ intimation is required to be given to stock exchange shall commence from the date on which intimation of the date of Board meeting for consideration of any such Price Sensitive Information is given to Stock Exchange.

However, if the circumstances so warrant, the time for closing the Trading Window may be increased or decreased by the Compliance Officer with the approval of Chairman/ Managing Director of the Company.

The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

7.4 The timing for re-opening of the trading window for the information referred in 7.2 shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

7.5 All Directors, Designated Persons, officers and connected persons of the company shall conduct all their dealings in the securities of the Company only during the valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.

7.6 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 window is closed.

7.7 All other time of the year, when the Trading Window does not remain closed in accordance with this clause, shall be called "Notional Trading Window".

## **8 Pre-clearance of trades**

8.1 All Directors, Designated Persons, officers and connected persons of the Company and their immediate relatives who intend to deal in the securities of the company in excess of Rs. 10,00,000/- whether in one or a series of transactions over any calendar quarter shall require prior clearance from the Compliance Officer.

8.2 The Clearance shall be obtained as per the procedure prescribed below:

8.2.1 An application is to be made to the compliance officer as per the enclosed format **(Form -II)** indicating the estimate number of securities that the Directors, Designated Persons, officers and connected persons intends to deal in, the details of securities held in physical form as to folio no., 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 regard.

8.2.2 Each Directors, Designated Persons, officers and connected persons shall execute in favour of the Company an undertaking in the enclosed format **(Form -II)** for getting the trades cleared.

The Compliance Officer shall on receiving an application provide the Directors, Designated Persons, officers and connected persons with an acknowledgement on the duplicate of the application.

The Compliance Officer shall grant approval within 2 working days from the date of acknowledgement.

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

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

If so requested by the Compliance Officer, Directors, Designated Persons, officers and connected persons must ensure that his stockbroker is authorised to disclose to the Company all matters relevant to his share dealings.

8.3 The Directors, Designated Persons, officers and connected persons and their dependents shall execute their transactions within one week after the pre-clearance failing which they have to pre-clear the transactions again.

## **9 Minimum Period for holding of Securities**

a. All Directors, Designated Persons, officers, connected persons or their dependents 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 Directors, Designated Persons, officers and connected persons shall also not take positions in derivative transactions in the shares of the Company at any time.

- b. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.
- c. If a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for credit remittance to the Investor Protection and Education Fund administered by the SEBI under the Act However, this shall not be applicable for trades pursuant to exercise of stock options.
- d. In the case of subscription under ESOP Scheme(s) of the Company, 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. However, in case the sale of securities is necessitated by personal emergency, the holding period may be waived by Compliance Officer after recording in writing reasons in this regard. The application for this approval should be made to the Compliance Officer in Form 'I' (as attached to this code).

The aforesaid restrictions on entering into opposite transaction shall not apply to acquisition of securities in the primary market or pursuant to exercise of options vested under any ESOP Scheme(s) of the Company.

## CHAPTER – IV

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### REPORTING AND DISCLOSURE REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

#### 10. Reporting Requirements for transaction in securities

- 10.1 All Directors, Designated Persons, officers and connected persons shall forward to the Compliance Officer following details of their securities transactions including the statement of their immediate relatives:
- (a) All holdings in securities of the company, at the time of joining the company in **Form -III**;
  - (b) Annual statement of all holdings in securities of the Company in **Form – IV** within 15 days.
- 10.2 Every person on appointment as a key managerial personnel or a director of the Company shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter or member of the promoter group, to the company within seven days of such appointment or becoming a promoter
- 10.3 Every promoter or member of the promoter group, designated person and director of every 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.
- 10.4 The Compliance Officer shall maintain records of all the declarations/ undertakings/ forms as mentioned in this Code, as received from time to time, for a period of five years.
- 10.5 The Compliance Officer shall place before the Board of Directors of the Company at its next meeting all the details of the dealing in the securities by Designated Persons/ Director/ Officer of the company and the accompanying documents that such persons had executed under the pre- dealing procedure as envisaged in this Code.
- 10.6 Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
- 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

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions

#### **11. Disclosure by Company to Stock Exchange**

Pursuant to Regulation 7(2)(b) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, within 2 trading days of the receipt of the disclosure or from becoming aware of such information under Clause 10.2, 10.3 and 10.4 above, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

## CHAPTER – V

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### MISCELLANEOUS

#### **12. Institutional Mechanism for Prevention of Insider Trading**

- i. The Compliance Officer in consultation with the Managing Director of the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.
- ii. The internal controls shall include, *inter alia*, the following :
  - a. Identification of the designated employees from time-to-time who may have the unpublished price sensitive information.
  - b. Identification of unpublished price sensitive information from time-to-time and maintenance of its confidentiality.
  - c. Placement of adequate restrictions on communication or procurement of unpublished price sensitive information.
  - d. Maintenance of structured digital database containing the names of such persons or entities as the case may be with whom unpublished price sensitive information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
  - e. Execution of confidentiality or non-disclosure agreements with all the persons with whom unpublished price sensitive information has been shared.
  - f. Process review at regular intervals to evaluate effectiveness of such internal controls.
- iii. The Board shall ensure the compliance of the provisions of the Code by the Compliance Officer from time-to-time.
- iv. The Audit Committee of the Company shall review compliance with the provisions of this Code at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

#### **13. Penalty for breach of code of conduct**

- a) The Designated Persons and their immediate relatives who violate the code of conduct shall be subject to disciplinary actions by the Company that may include wage freeze, suspension, recovery, etc. as may be imposed by the Company.

- b) Any amount collected under this clause shall be credited to the Investor Protection and Education Fund as administered by SEBI under the Act.
- c) The action by the Company shall not preclude SEBI or other Regulatory authorities from taking any action against those who are found guilty of Insider Trading and such action may be in the form of 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.

#### **14. Information to SEBI in case of violation of the Regulations :**

In case it is observed by the Company and/ or Compliance Officer that there has been a violation of the Regulations the stock exchange(s) where the concerned securities are traded will be promptly informed, in such form and such manner as may be specified by SEBI from time to time.

#### **15. Clarifications :**

For all queries concerning this Code, all employees of the Company may please contact the Compliance Officer.

**THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF EACH EMPLOYEE TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.**

**Trading' Plan**

**FORM – I**

(Under Code of Conduct of the Company read with SEBI Insider Trading regulation, 2015)

To,

The Compliance Officer  
IFB Agro Industries Limited

Dear Sir /Madam

Ref: DP's name DP ID

CLIENT ID

Name of insider Address

Your approval is solicited for proposed Trading Plan for purchase & sale of securities of the Company in physical / demats form. I am furnishing details of trade to be made in six month after approval of the proposed trading plan:-

<b>Sl No.</b>	<b>Nature of Trade</b>	<b>Number of Securities to be trade</b>	<b>Time intervals between two trades</b>	<b>Date of propose trade</b>

1. I am confirm that I do not have access to the unpublished price sensitive information and also have not received unpublished price sensitive information till today;
2. that in case I have access to the price sensitive information or receives it after approving the trading plan I shall inform the change and refrain from dealing in securities till the information becomes public;
3. that I have not contravened the code of conduct for prevention of insider trading as notified by the Company
4. that whatever is stated above is true and correct to the best of knowledge and nothing has been concealed.

Yours truly

Signature

Name .....

Designation .....

**Application for pre-clearance of trade**

(Under Code of Conduct of the Company read with Insider Trading regulation, 2015)

To,  
The Compliance Officer  
IFB Agro Industries Limited  
Dear Sir /Madam  
Ref: DP's name DP ID

CLIENT ID  
Name of insider Address

Your approval is solicited for purchase/sale of securities of the Company in physical / demats form.

I state on solemn affirmation:

1. that I am Director/Officer/Designated Employee of the Company who may reasonably be expected to have an access to unpublished price sensitive information in relation to the Company;
2. that I intend to purchase/sale(state, No. of securities) securities of the Company in physical/demat form immediately on receipt of clearance for trade;
3. that I am aware of the code of conduct for Prohibition of Insider Trading (**PIT**) and that the provisions are applicable to me.
4. that I do not have access to the unpublished price sensitive information and also have not received unpublished price sensitive information till today;
5. that in case I have access to the price sensitive information or receives it after signing this undertaking, I shall inform the change and refrain from dealing in securities till the information becomes public;
6. that I have not contravened the code of conduct for prevention of insider trading as notified by the Company
7. I will hold/not repurchase such equity shares/listed securities for a minimum period of thirty days from the date of purchase/sale.
8. In case of non-execution of transaction by me within 7 trading days from the date of permission for purchase/sale, I will again take the clearance for the same.
9. that whatever is stated above is true and correct to the best of knowledge and nothing has been concealed.

Yours truly

Signature  
Name .....  
Designation ....  
Employee Code no .

**Place .....**

## UNDERTAKING

I..... aged about.... years, Son  
of.....working in the capacity of .....  
in IFB Agro Industries Limited (hereinafter referred to as 'Company') do hereby solemnly  
declare and undertake as under:

1. that I am working with the company with effect from
2. that as on date I do not possess/own any shares of the company or I have purchased nos, of shares of the Company from open market. (strike out which is not applicable)
3. that I have received and read the Company's code of conduct and agree to comply with the Company's code of conduct and ethics from time to time.
4. that I do not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
5. In the event that I have access to or receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction for which approval is sought, I shall inform the compliance officer of the Company of the change in my position and that I would completely refrain from dealing in the securities of the company till the time such information becomes public.
6. that I shall not communicate, counsel or procure directly and indirectly any unpublished Price Sensitive Information (PSI) as mentioned in Company's code of conduct to any person who while in possession of such unpublished PSI & shall keep the confidential information which is in my possession secured.
7. that I shall provide Initial disclosure about shareholding in the requisite form to the compliance officer of the Company.
8. that I shall undertake to seek pre-clearance of the compliance officer for any securities transaction and shall make an application, submit required forms duly filled and signed.
9. that I shall give annual statement of shareholding in Company's securities by 30th April of every year along with my dependent.
10. that I have not contravened the code of conduct for prevention of insider trading as notified by the Company and shall be fully liable in any event of contravention/ noncompliance of the same.
11. That I have made a full and true disclosure in the matter.

Signature Date

Name

**FORM – III**

**Statement of holding of Securities at the time of joining the company by Director/  
Designated Employee/ Officer**

(Under IFB Agro Industries Limited : Code of Conduct to Regulate, Monitor and  
Report Trading by Designated Persons)

**The Compliance Officer**

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**Reg. : Initial Disclosure of Shareholding**

Following are the details of shares held by me and dependent family members as on  
.....

<b>Name</b>	<b>Relationship</b>	<b>No. of Shares held in the Company</b>	<b>Other Details such as Folio / DP Id / Client Id</b>
	Self		
Dependent;			
1.			
2.			

I undertake to furnish the Annual Statement regarding the complete details of all shares held by us within 15 days from the end of each year.

Signature :

Name :

Designation :

Department :

Date :

**FORM IV**

**ANNUAL DISCLOSURE OF SHAREHOLDING**

(Under IFB Agro Industries Limited : Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons)

**The Compliance Officer**

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**Reg. : Annual Disclosure of Shareholding**

Following are the details of shares held by me and my dependent family members as on 31st March, 20.....

<b>Name</b>	<b>Relationship</b>	<b>No. of Shares held in the Company as on 31st March</b>	<b>Other Details such as Folio / DP Id / Client Id</b>
	Self		
Dependent			
1.			
2.			
3.			

I/ We declare that the shares sold have been held by me / us for six months.  
I/ We further declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

Signature :

Name :

Designation :

Department :

Date