



# Bateli Tea Co. Limited

## **CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS**

*(Approved by the Board of Directors at its meeting held on May 15, 2015 as per Regulation 9(1) of the SEBI ((Prohibition of Insider Trading) Regulations, 2015)  
Effective from May 15, 2015*

---

### **Preamble**

In terms of the Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the 'Regulations') every listed company is required to frame a Code of Conduct to regulate, monitor and report trading by its employees, including the Directors, and other connected persons in relation to the securities of the company.

Insider trading occurs when any person deals in securities of a company listed or proposed to be listed by making use of some price-sensitive information which is not accessible by the public on a non-discriminatory basis as it has not been made public by the company, with an intention of making gain or avoiding loss. Insider trading is prohibited under the Regulations and such an act is an offence punishable under the SEBI Act.

Bateli Tea Co Limited (hereinafter referred to as "the Company") being a responsible corporate citizen, takes efforts to prevent misuse and maintain confidentiality of unpublished price sensitive information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director, Officer and Designated Employee (Collectively referred to as the 'Designated Persons') of the Company is responsible for preservation of the confidentiality of all such information obtained in their course of duty and to handle the same on 'need-to-know' basis. They must not use their knowledge of undisclosed information to gain benefit or avoid loss or to provide benefit to any third person.

In line with the Regulation 9(1) of the Regulations, and to regulate, monitor and report trading in securities of the Company by the Designated Persons and other connected persons, this Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (hereinafter referred to as the 'Code') has been adopted by the Board of Directors of the Company at its meeting held on May 15, 2015.

The Code, as approved, shall come into effect from May 15, 2015 and from that date shall also replace the existing Code of Conduct for Prevention of Insider Trading of the Company.

---

### **Part A – Definitions**

- (a) **'Board of Directors' or 'Board'** means the Board of Directors of Bateli Tea Co Limited;
- (b) **'Chinese Walls'** means the system of policies, procedures and physical arrangements used to manage Price Sensitive Information and prevent the inadvertent spread and misuse of the same, or appearance thereof.
- (c) **'Company'** means Bateli Tea Co Limited;
- (d) **"Connected Person"** includes:
  - i. A Director of the Company;
  - ii. A Key Managerial Personnel of the Company;
  - iii. A n Officer of the Company;
  - iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of



such relationship, was, directly or indirectly, (a) allowed access to UPSI or (b) reasonably expected to be allowed access to UPSI;

- v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, (a) allowed access to UPSI or (b) reasonably expected to be allowed access to UPSI;
- vi. An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI ;
- vii. Any person who has a professional or business relationship and that relationship that, directly or indirectly, (a) allows access to UPSI or (b) is reasonably expected to allow access to UPSI;

The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI or is reasonably expected to have access to UPSI:

- a. An Immediate Relative of Connected Persons;
- b. A holding company or associate company or subsidiary company;
- c. An intermediary as specified in section 12 of the SEBI Act or an employee or director thereof;
- d. An investment company, trustee company, asset management company or an employee or director thereof;
- e. An official of a stock exchange or of clearing house or corporation;
- 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;
- 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;
- h. An official or an employee of a self-regulatory or organization recognised or authorized by the Board;
- i. A banker of the Company;
- 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 Persons’** includes:

- 1. Promoters of the Company;
- 2. Members of the Board of Directors;
- 3. Key Managerial Personnel appointed under the Companies Act, 2013;
- 4. Employees who are invited to attend the Board and Board’s Committee meeting;
- 5. Employees one level below the Board, i.e. employees directly reporting to the Chairman, CEO, Managing Director, Whole-Time Director and the Board;
- 6. Every employee in Corporate Finance, Corporate Compliance, Internal Audit, Legal, Secretarial and Taxation;
- 7. Heads of Business Units and Business Finance and employees directly reporting to them.
- 8. Any other employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

(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) **‘Key Managerial Personnel’** means the Chief Executive Officer, Managing Director, Whole-Time Directors, Chief Financial Officer and the Company Secretary.

(i) **‘Regulations’** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendment or reenactment thereof.

(j) **‘Securities’** means the equity shares, preference shares, debentures or any other security of the Company which is listed or proposed to be listed on any Stock Exchange whether in India or overseas and related stock market derivatives.



- (k) **‘Trading’** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- (l) **‘Trading Day’** means a day on which the recognized stock exchanges are open for trading.
- (m) **‘Trading Window’** means the period during which trading in the Securities of the Company is permitted or not permitted by those governed by this Code.
- (n) **‘Unpublished Price Sensitive Information’** means any information, relating to the 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 include but not restricted to, information relating to the following:
- (i) Periodical financial results of the Company;
  - (ii) Intended declaration of dividends (both interim and final);
  - (iii) Change in capital structure, Issue of securities or buy-back of securities;
  - (iv) Any major expansion plans or execution of new projects;
  - (v) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - (vi) Changes in key managerial personnel;
  - (vii) Disposal of the whole or substantial part of the undertaking;
  - (viii) Any significant changes in policies, plans or operations of the Company;
  - (ix) Disruption of operations due to natural calamities;
  - (x) Commencement of any new commercial production or commercial operations where the contribution therefrom is likely to exceed 5% of the total turnover of the Company during that financial year;
  - (xi) Developments with respect to changes in pricing / realisation on goods and services arising out of changes in government policy;
  - (xii) Litigation/dispute with a material impact;
  - (xiii) Revision of credit ratings assigned to the Securities of the Company;
  - (xiv) Material events in accordance with the listing agreement; and
  - (xv) Any information which, if disclosed, in the opinion of the person disclosing it is likely to materially affect the prices of the securities of the Company;

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 2013 and the rules and regulations made thereunder.

## **Part B – Code**

### **1. Compliance Officer**

- 1.1** For the purpose of this Code, the Company Secretary of the Company shall be the Compliance Officer and shall report to the Board, and in his absence, Chief Financial Officer (CFO) of the Company shall act as Compliance Officer.
- 1.2** Compliance Officer is responsible for compliance with policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades by Designated Persons and the implementation of this Codes under the overall supervision of the Board of Directors of the Company.
- 1.3** The Compliance Officer must maintain records of all Promoters and Designated Persons, any change in their record and the declarations / disclosures received from them.
- 1.4** Compliance Officer shall provide a Report on quarterly basis to the Chairman of the Audit Committee covering pre-clearance accorded and trades executed in Securities of the Company by Promoters, Designated Persons, their immediate relatives and other connected persons. The said



Report must highlight violations of this Code or the Regulations, if any, by Promoters, Designated Persons, their immediate relatives and other connected persons. Format of the said Report is specified in Clause 9.

## **2. Chinese Walls / Preservation of Price Sensitive Information**

- 2.1** Chinese Walls separate areas that have access to Price Sensitive Information ('Insider Areas') from those who do not have such access ('Public Areas'). Chinese Walls are designed to operate as barriers to the passing of Price Sensitive Information and as a means of managing conflicts of interest.
- 2.2** Designated Persons working within an Insider Area must preserve confidentiality of all Price Sensitive Information and must not communicate/pass on such information to any employee, directly or indirectly, in Public Area. Further, Designated Persons working within an Insider Area must not recommend or facilitate buying or selling of securities by any person in Public Area. The establishment of Chinese Walls is not intended to suggest that within Insider Areas material, Price Sensitive Information can circulate freely. Within Insider Areas, the 'need-to-know' policy is fully in effect.
- 2.3** Unpublished Price Sensitive Information must be handled in the Company on a "need to know basis", that is, such information must not be disclosed/communicated to any person except to those who need it for legitimate purpose or to discharge their duty or discharge of their legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.
- 2.4** Unpublished Price Sensitive Information may be communicated as per the provisions of the Regulations.
- 2.5** Designated Persons within a Chinese Wall must ensure that the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be allude to the Compliance Officer immediately.
- 2.6** Files containing confidential information must be kept secured and protected from being leaked. Computer files must have adequate security of login and password, etc. Files containing confidential information must be deleted/destroyed after its use. Shredder should be used for the destruction of physical files.

## **3. Prohibition on trading in securities of the Company by Designated Persons**

The Designated Persons, when in possession of any unpublished price sensitive information must not:

- Trade or recommend trading in the Securities, either for themselves or for their immediate relative or for others; or
- Communicate, provide or allow access to or counsel or procure, directly or indirectly, any unpublished price sensitive information to / from any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations or under any law.

## **4. Restriction on Trading in Securities by Designated Persons and / or their Immediate Relatives**

- 4.1** Every Designated Person or their Immediate Relatives must not enter into derivative transaction(s) with respect to the securities of the Company at any time.
- 4.2** Every Designated Person or their Immediate Relatives must not trade in Securities of the Company when the Trading Window is closed. Further, the restriction of Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Company, including Statutory Auditors, Internal Auditors, law firms, analysts and consultants, assisting or advising the Company.
- 4.3** The intimation of closure shall be made through letter, 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.

**4.4** Trading Window shall generally be closed during the following periods:

- a. A period beginning the days least 15 days prior to the date of Board Meeting wherein the quarterly, half-yearly or annual financial results are declared and ending second trading day after the results are generally available.
- b. In case of any other event, from the date of circulation of the agenda of the Board or Committee meeting, in which any material unpublished price sensitive events are proposed. The closure of the Trading Window for such events shall be notified by the Compliance Officer and shall re-open forty-eight hours after such unpublished price sensitive events are generally available.
- c. Such other period as may be notified by the Compliance Officer from time to time in consultation with the Chief Executive Officer / Managing Director of the Company.
- d. 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
  - f. material events in accordance with the listing agreement.

**4.5** Every Designated Person must take pre-clearance of their trade, as specified in Clause 4.8, for buying /selling of Securities of the Company, exceeding Rs.2,00,000 in value in a single transaction or an aggregate of Rs.5,00,000 in value in one calendar month (i.e. value of all transactions executed during the month taken together).

**4.6** Immediate Relatives of Designated Persons must also take such pre-clearance for purchase or sale of Securities of the Company, exceeding Rs.2,00,000 in value in a single transaction or an aggregate of Rs.5,00,000 in value in one calendar month (i.e. value of all transactions executed during the month taken together).

**4.7** Designated Persons must hold the shares purchased/acquired by them for a minimum period of 30 days from the date of purchase/acquisition thereof ('Minimum Holding Period'). In case of personal emergency, pre-clearance is required, as specified in Clause 4.8, for waiver of the Minimum Holding Period.

**4.8** All the Designated Persons who buy or sell any number of Securities must not enter into a contra trade, that is, sell or buy, for any number of securities within the next six months following the prior trade. In case of personal emergency, pre-clearance is required, as specified in Clause 4.8, for relaxation of any provision relating to contra trade.

**4.9** Pre-clearance, referred to in Clauses 4.4 to 4.7, is required to be taken by the Designated Persons from the Compliance Officer. For the Compliance Officer, pre-clearance is required to be taken from the Chief Financial Officer of the Company. For the purchase or sell by the Immediate Relatives of any Designated Person, pre-clearance shall be taken by such Designated Person on their behalf.

**4.10** If a Designated Person decides not to trade after securing pre-clearance must communicate such decision to the Compliance Officer within two trading day.

**4.11** Pre-cleared trades must be executed within seven trading days of the pre-clearance, failing which fresh pre-clearance shall be required to be taken, as specified in Clause 4.7.



**4.12** The Form for making application for pre-clearance of trade, as specified in Clause 4.8, or communication of decision not to trade, as specified in Clause 4.9, are annexed to this Code and Compliance Officer may amend the same from time to time, if necessary, under the Regulations.

**4.13** Designated Persons must also execute an undertaking, inter alia, confirming that he/she is not in possession of any unpublished price sensitive information, along with the application for the pre-clearance.

## **5. Trading Plan**

**5.1** An insider, which term includes Promoters and Designated Persons, is entitled to formulate a Trading Plan for trading in securities of the Company and present such plan to the Compliance Officer for approval and public disclosure. Trade in Securities of the Company shall be carried out in accordance with such plan.

**5.2** Trading Plan shall:

- a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan.
- b. 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 and second trading day after the disclosure of such financial results.
- c. entail trading for a period of not less than twelve months;
- d. not entail overlap of any period for which another trading plan is already in existence, that is, one plan for one period.
- e. 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, that is, buy or sale, and the intervals at, or dates on which such trades shall be effected.
- f. not entail trading in securities for market abuse.

**5.3** The Compliance Officer shall consider the Trading Plan 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.

**5.4** 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.

**5.5** 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.

**5.6** Trading in Securities of the Company is expressly prohibited during the Trading Window closure period even if such trading is as per approved Trading Plan.

**5.7** Upon approval of the trading plan, the Compliance Officer shall notify the same to the stock exchanges on which the Securities of the Company are listed.

## **6. Disclosures**

**6.1** The disclosures to be made by Designated Persons shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

**6.2** Every promoter, Key Managerial Personnel and Director of the Company shall disclose his holding of Securities as on the date of these Regulations taking effect, to the Company within thirty days of these regulations taking effect.

**6.3** Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter 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.

- 6.4** Every promoter of Company and Designated Person shall disclose the number of securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000 or such other value as may be specified.
- 6.5** All the Designated Persons must make an annual disclosure of the number of Securities held as on 31st March each year by them and their Immediate Relatives to the Compliance Officer. This disclosure shall be made within 15 days from the close of each financial year.
- 6.6** Other Connected Persons must disclose the number of securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000.
- 6.7** For the purpose of Clause 6.4 and 6.6, the disclosure of the incremental transactions after any disclosure under the said Clauses shall be made when the transactions effected after the prior disclosure cross the specified threshold.
- 6.8** The Forms for making disclosure under Clause 6.2 to 6.5 are specified under Clause 10.

## **7 Penalties for Contravention**

In case anyone, to whom this code is applicable, commits contravention of this Code liable to be penalised and also be subject to disciplinary action by the Company, which may include wage/ salary freeze, suspension, withholding of promotions, etc. The action by the Company will not preclude SEBI from taking any action under the Regulations.

## **8 Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992**

In case any violation of the Regulations is observed by the Company and/or Compliance Officer, the Company shall inform the same to SEBI.

## **9 General**

A copy of the Regulations is enclosed. All persons governed by this Code are advised to peruse the Regulations carefully and acquaint themselves with all the provisions contained therein. Any clarification/assistance as necessary may be sought from the Compliance Officer.

## **10 Forms for Application / Disclosure**

<b>Sl. No.</b>	<b>Purpose</b>	<b>Applicable Clause no.</b>	<b>Form No.</b>	<b>Annexure No.</b>
1	Application for wavier of minimum holding period.	4.7	FORM I	Annexure – I
2	Application for waiver of opposite transaction.	4.8	FORM II	Annexure – II
3	Application for pre-clearance containing undertaking.	4.9	FORM III	Annexure – III
4	Decision not to trade after securing pre-clearance	4.10	FORM IV	Annexure – IV
5	Trading Plan	5.1	FORM V	Annexure – V
6	Disclosure of holding of Securities as on the date the Regulations taking effect	6.2		Annexure – VI
7	Disclosure of holding of Securities as on the date of appointment as KMP or Director or becoming a promoter	6.3		Annexure – VII



8	Disclosure of securities acquired or disposed for an aggregate traded value in excess of Rs.10,00,000	6.4 and 6.6		Annexure – VIII
9	Annual disclosure by the Director, Officer, or Designated Employee.	6.5		Annexure – IX