

**CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS AS PER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

**1. Definitions.**

- a) **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- b) **"Board"** means the Securities and Exchange Board of India;
- c) **"Code"** or **"Code of Conduct"** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Reflex Industries Limited as amended from time to time.
- d) **"Company"** means Reflex Industries Limited.
- e) **"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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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.
- f) **"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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 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;
- g) **“Designated Employee(s)”** shall include :
- (i) Directors
  - (ii) Presidents / Senior Vice Presidents / Vice Presidents / Chief Executive Officers and General Managers who are functional / Regional heads;
  - (iii) Key executives in the Finance / Secretarial Department and Legal Department located at Registered/ Corporate Offices/ Factory of the Company.
  - (iv) Statutory Auditors / Internal Auditors of the Company.
  - (v) Any other employee as may be determined and informed by the Compliance Officer from time to time.
- h) **“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;
- i) **“Insider”** means any person who is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company, or who has received or has had access to unpublished price sensitive information;
- j) **“Officer of the Company”** means any person as defined under Section 2(59) of the Companies Act, 2013 and includes the Auditor 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, 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) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;
- o) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- p) **"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) dividends;
  - (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.

## 2. Compliance Officer

The listed company has appointed a Compliance Officer (senior level employee) who shall report to the Managing Director/Chief Executive Officer.

The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Unpublished Price Sensitive Information", pre-clearing; of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed company.

### Refex Industries Limited

Regd Office : 11<sup>th</sup> Floor, Bascon Futura, New No: 10/2  
 Old No: 56L, Venkatanarayana Road, T Nagar,  
 Chennai – 600 017, Tamilnadu. P : 044 4340 5950  
 E : info@refex.co.in CIN: L45200TN2002PLC049601

### Factory:

No.1/171, Old Mahabalipuram Road,  
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 Kancheepuram District, Tamilnadu.  
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The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the company's code of conduct.

### **3. Preservation of "Price Sensitive Information"**

Employees/directors shall maintain the confidentiality of all Price Sensitive Information. Employees/Directors 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.

### **4. Code of Conduct on matters relating to Insider trading:**

No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a 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.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

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 the confidentiality of such unpublished price sensitive information in compliance with these regulations.

### **5. Corporate Opportunity:**

Directors and Senior Management Personnel shall not –

- a) compete with the Company; or
- b) take for themselves any business opportunities that belong to the Company or are discovered through the use of corporate property, information or position; or
- c) Use corporate property, information or position for personal gain.

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## 6. Fair Dealing:

Directors and Senior Management Personnel should endeavour to deal fairly with the Company's customers, suppliers, competitors, officers and employees. No Director and Senior Management Personnel shall take unfair advantage of the Company's customers, suppliers, competitors or employees through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Gifts or entertainment in any form that is likely to result in a feeling of expectation of personal obligation should not be extended or accepted.

## 7. Need to know

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.

## 8. Limited access to confidential information

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

## 9. Prevention of misuse of "Price Sensitive Information"

All directors/officers, connected persons, insiders and designated employees of the company shall be subject to trading restrictions as enumerated below.

## 10. Trading window

The company shall intimate the Promoters, connected persons, designated employees about the trading period, to be called "trading window", for trading in the company's securities. The trading window shall be closed during the time the information referred to in para 1 (p) (i) to (v) is unpublished.

When the trading window is closed, the employees/directors shall not trade in the company's securities during such a period.

The time for commencement of closing of the trading window shall be 1<sup>st</sup> of the following month of every Quarter. The trading window shall be opened 48 hours after the information referred to in para 1 (p) (i) to (v) is made public or such other time period as may be prescribed by SEBI from time to time.

All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods

when trading window is closed, as referred to in para 1 (p) (i) to (v) or during any other period as may be specified by the Company from time to time.

## 11. Pre-clearance of trades

All directors/officers/designated employees of the company who intend to deal in the securities of the company should pre-clear the transaction as per the pre-dealing procedure as described hereunder.

- a) An application may be made in such form as the company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the designated employee/officer/director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- b) An undertaking shall be executed in favour of the company by such designated employee/director/officer incorporating, inter alia, the following clauses, as may be applicable:
  - i. That the employee/director/officer does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
  - ii. That in case the employee/director/officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.
  - iii. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
  - iv. That he/she has made a full and true disclosure in the matter.

## 12. Other restrictions

All directors/officers/designated employees shall execute their order in respect of securities of the company within one week after the approval of pre-clearance (As per Annexure – I) is given. If the order is not executed within one week after the approval is given, the employee/director must pre-clear the transaction again.

In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard.



### 13. Reporting Requirements for transactions in securities

All directors/officers/designated employees of the listed company shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the company) to the Compliance Officer:

1. all holdings in securities of that company by directors/officers/designated employees at the time of joining the company;
2. periodic statement of any transactions in securities (the periodicity of reporting may be defined by the company. The company may also be free to decide whether reporting is required for trades where pre-clearance is also required); and
3. annual statement of all holdings in securities.

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors/officers/designated employees for a minimum period of three years. The Compliance Officer shall place before the Managing Director/Chief Executive Officer or a committee specified by the company, on a quarterly basis all the details of the dealing in the securities by employees/director/officer of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

### 14. Penalty for Contravention of Code of Conduct

Any employee/officer/director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalised and appropriate action may be taken by the company.

Employees/officers/directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, for future participation in employee stock option plans, etc.

The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

### 15. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015

In case it is observed by the company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992. SEBI shall be informed by the company.

### 16. Applicability Of The Code :

This Code have been adopted in the Board Meeting held on May 30th 2015.

#### 17. Amendments to this Code

Any amendment to this Code shall be done through a resolution passed at the Board meeting of the Company. The amendment to the Code was made adopted in the Board Meeting held on February 13, 2019.

#### 18. Posting of the Code

This Revised Code shall be effective from 1st April, 2019 and the same shall be posted on the website of the Company.

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**Application for Pre-clearance of trading in securities of the Company by the Directors and Designated employees (in terms of Clause 5 of the Code of the Conduct pursuant to Regulation 7 (1) (b) read with regulation 6(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

To,

**The Compliance Officer**

**Reflex Industries Limited,**

11th Floor, Bascon Futura IT Park,

New No. 10/2, Old No. 56L,

Venkat Narayana Road, T Nagar,

Chennai – 600 017

With reference to above, I wish to inform you that I want to purchase / sell ----- Equity shares of the Company from, details of the same are as mentioned below:

1	Name of the Applicant	:	
2	Designation	:	
3	DIN / Employee Code	:	
4	PAN	:	
5	Address	:	
6	Number and value of securities held in the Company as on date	:	
7	Folio / DP Id. No. and Client Id No.	:	
8	Mode in which securities are held (i.e. physical or demat)	:	
9	The proposal is for ---- (please tick proper option)	:	(a) Acquisition in open market (b) Acquisition out of open market (c) Sale in the open market (d) Sale out of open market (e) subscription of securities
10	Proposed date of the deal	:	
11	Estimated no. of securities proposed to be <del>acquired</del> / sold / <del>subscribed</del>	:	
12	Price at which the transaction is proposed	:	
13	Proposed mode of dealing in securities (physical or demat)	:	
14	Name and address of the Broker (if the deal is to be in the open market) and his SEBI Regn. No.	:	



I/ We declare that I/ we have complied with the requirements of Company's "Code of practices and procedures and code of conduct" to regulate, monitor and report trading in securities and fair disclosure of unpublished price sensitive information" based on the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. I am executing an Undertaking as required and enclose herewith.

You are requested kindly to give your permission to trade in the equity shares/ other Securities of the Company as requested above.

Encl. duly executed Undertaking.

Signature: \_\_\_\_\_  
(Name: \_\_\_\_\_)

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