

Arex Industries Ltd. (CIN: L99999GJ1989PLC012213)

MANUFACTURERS OF GARMENT LABELS

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Ref: AIL/BSE-33/1505/390

May 19, 2015

To,
The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Ref.: BSE Script Code: 526851

Sub.: Compliance under Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015

Dear Sir/Madam,

We would like to inform you that pursuant to the Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company have formulated and noted the "Code of Practice and procedures for Fair Disclosure of unpublished Price Sensitive Information" (Code of Fair Disclosure) of the Company.

Further, pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has formulated and noted the "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" (Code of Conduct) of the Company.

You are requested to take the above on records.

For **AREX INDUSTRIES LIMITED**


Dinesh A. Bilgi
(DIN: 00096099)
Managing Director



Encl: As above

AREX INDUSTRIES LIMITED

(CIN: L99999GJ1989PLC012213)

CODE OF PRACTICE AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(As envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015)

INTRODUCTION:

The Securities and Exchange Board of India (SEBI), in its endeavour to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from 15th May, 2015 and the same have been made applicable to all companies whose shares are listed on Indian Stock Exchanges. The Company is required to formulate Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information.

OBJECTIVE OF THE CODE:

The Code of Practice and Procedures for Fair Disclosures is required for the Company to ensure timely and adequate disclosure of unpublished price sensitive information which would impact the price of the company's securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavours to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.

DEFINITION:

1. Compliance Officer:

"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 the code under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

2. Unpublished Price Sensitive Information:

"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; and (vi) material events in accordance with the listing agreement.

Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:

1. The Company will make, prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company will make, uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Mr. Dinesh Bilgi, Managing Director of the Company shall be designated as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company will make, prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company will provide, appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company will be ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. The Company will handle all unpublished price sensitive information on a need-to-know basis.
9. The Board of Directors of the Company reserves the right to amend or modify the Code in whole or in part, at any time without assigning any reason whatsoever and to establish further rules and procedures, from time to time, to give effect to the intent of the Code. The decision of the Board of Directors of the Company with regard to any or all matters relating to this code shall be final and binding on all concerned.



AREX INDUSTRIES LIMITED

(CIN: L99999GJ1989PLC012213)

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

(As envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015)

INTRODUCTION

1. The Code of Conduct shall be known as 'Arex Industries Limited Code of Conduct for Prevention of Insider Trading – 2015' and herein after referred to as 'AIL Code of Conduct' or 'Code of Conduct';
2. This code of Conduct has been made pursuant to Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and may be modified by the Board of Directors of the Company from time to time;
3. This code of conduct will come into force on 15th May, 2015 as defined under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The earlier code of conduct in pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 has been replaced.

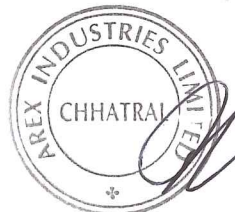
APPLICABILITY

1. The Code shall be applicable to the following persons:-
 - (a) Directors;
 - (b) Designated Employees
 - (c) Concerned advisers/consultants/Retainers of the Company;
 - (d) Connected persons as defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
2. Compliance with this Code of Conduct is in addition to (and not in lieu/replacement of) any other regulations for prevention and prohibition of insider trading including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

DEFINITIONS:

1. Compliance Officer:

"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 the code under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.



2. Insider:

"Insider" means any person who is: i) a connected person; or ii) in possession of or having access to unpublished price sensitive information.

3. Trading:

"Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

4. Trading Day:

"Trading day" means a day on which the recognized stock exchanges are open for trading.

5. Unpublished Price Sensitive Information:

"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; and (vi) material events in accordance with the listing agreement.

CODE OF CONDUCT:

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors.
2. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to "cross the wall".
3. Employees and connected persons designated on the basis of their functional role ("designated persons") in the organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
4. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. 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. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.



5. The timing for re-opening of the trading window 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. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.
6. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
7. The compliance officer shall confidentially maintain a list of such securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for preclearance of trades.
8. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
9. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.
10. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. 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. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
11. The code of conduct shall stipulate such formats as the board of directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
12. Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension etc., that may be imposed, by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct.
13. The code of conduct shall specify that in case it is observed by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these regulations, they shall inform the Board promptly.

