



Code of conduct for prevention of insider trading

INTRODUCTION:

The company events conserve the discretion of un-published price sensitive information and to avoid the mishandling of such information. The Company is dedicated to simplicity and justice in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Every director, officer, designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No director, officer, designated employee may use his or her position or knowledge of the Company to gain personal benefit or to afford advantage to any third party.

This code of conduct applies to all the members of board of directors and also to the senior management.

1. DEFINATION:

Connected Person means any person:

- (a) Who is or has associated with company during six months prior to concerned act;
- (b) His or her association with the company could be "in any capacity" like contractual, fiduciary or employment including by reason of frequent communication with its officers;
- (c) His or her association with the company by way of holding position of directorship or 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. The only condition is that by virtue of holding position such person, directly or indirectly, has access to unpublished price sensitive information.

Designated employee means

- (a) All Directors;
- (b) All senior general managers & General Managers of the Company
- (c) Any other employees of the company Designated by the Board of Directors from time to time.

Holding period means minimum period of continuous 30 days during which time a Designated Employee must hold the securities purchased by him.

Insider Trading means the use of unpublished Price sensitive information by an Insider to engage in Dealing in securities of the company.

Insider means any person who is or was a connected person or a Deemed connected person and who is reasonably expected to have access over the unpublished price sensitive information in respect of securities of the company or who has received or has had access to such unpublished price sensitive information.

Prohibited period means the period of time when the trading window is closed as specified in Clause 4.

Trading window means the period of time when trading is allowed.

COMPLIANCE OFFICER means Company Secretary of the Company.

The Compliance Officer shall be responsible for setting out policies, procedures, monitoring adherence to the rules for the preservation of "Price-sensitive Information", pre-clearing of Designated Employees' and their dependents' trades monitoring of trades and the execution of the code of conduct under the overall regulation of the Board of the Company.

The Compliance Officer shall maintain a record of the Designated Employees and any changes made in the list thereof.

2. PRICE SENSITIVE INFORMATION shall have the meaning given to it in the Regulations and unless the Regulations specify otherwise, means any unpublished information which relates directly or indirectly to the company and which if published, is likely to materially affect the price of securities of the company.

Following are deemed to be price sensitive information:

- (a) Declaration of Financial results
- (b) Declaration of dividends.
- (c) Any major expansion plans or execution of new projects
- (d) Disposal of whole or substantially whole of the undertaking

- (e) Any changes in policies, plans or operations of the Company disruption of operations due to natural calamities;
- (f) Commencement of any new commercial production/commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year;
- (g) Developments with respect to changes in pricing on goods and services arising out of changes in government policy;
- (h) Litigation/dispute with a material impact;
- (i) Revision of credit ratings assigned to any debt or equity instrument of the Company;
- (j) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

3. SAFEGUARDING OF “PRICE SENSITIVE INFORMATION”

The Designated Employees shall retain the privacy of all Price-Sensitive Information. The Designated Employees shall not disclose any such information to any person directly or indirectly by way of making an advice for the purchase or sale of securities.

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 fulfill their duty.

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

4. TRADING RESTRICTIONS

The designated employees of the Company shall be subject to trading restrictions as enunciated below: -

- **Trading Window:** The period prior to declaration of price sensitive information is mostly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Designated Employees will, during that period, often have unpublished price sensitive information. During such sensitive times, the Designated Employees will have to give up the chance of trading in the Company's securities. The Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

- The period of closure shall be effective from the date on which the Company intimates to the Stock Exchange about the date of the Board Meeting, up to 48 hours after the Price sensitive information is submitted to the Stock Exchange.
- The trading window shall be opened 48 hours after the Price Sensitive Information is made public.
- The Designated Employees of the Company shall conduct all their transactions in the securities of the Company only during the free period 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.

5. PRE CLEARANCE OF TRADES:

The designated employees, who aim to deal in the shares of the Company (either themselves or through their dependents) in excess of 1000 shares in a day, shall be required to pre-clear the transactions by making an application to the Compliance Officer. The application for pre-clearance may be sent in hard copy to the Compliance Officer.

Requests for pre-clearance shall be cleared to the concerned designated employee normally within a period of 2 business days of receipt.

Directors and designated employees and their dependents shall execute their order in respect of securities of the company within one week after the approval of pre-clearance 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.

The designated employees and their dependents 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.

6. REPORTING REQUIREMENTS:

Initial Disclosure of Shareholdings in the Company:

All Directors and the designated Employees (including their Dependents) of the Company are required to disclose Shares or Voting Rights held in the Company on joining the company, to the Compliance Officer.

Annual Disclosures of Shareholdings in the Company:

All Directors and the designated Employees (including their Dependents) of the Company are required to disclose Shares and Voting Rights held in the Company (including Shares held by dependents) as at 30th June of each year. This information is required to be furnished by 31st July of each year.

Disclosure of change in Shareholdings:

All Directors/ Designated Employees (including their Dependents) shall disclose to the company and also to the Stock Exchanges where the securities of the company are listed, if there has been a change in their shareholdings in the company from the last disclosure given to the company and the change in shareholding exceeds Rs.5 lacs in value or 25,000 shares or 1% of the total shareholding, whichever is lower.

Penalty for contravention of code of conduct

Any employee/Director/Officer/designated employee or their dependents who trade in securities or communicates any information for trading in securities, in contravention of the code of conduct shall be penalized and appropriate action shall be taken by the company which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

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

The "leaking" of sensitive information can also result in penal action for the Company by the Stock Exchanges.