

	Policy Domain	Insider Trading Policy	Creation Date	28.01.2009
			Document ID	
			Version	

1. Purpose

- To adhere to compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 by ensuring that no insider:
 - (i) Either on his own behalf or on behalf of any other person, deal in securities of a Company listed on any stock exchange when in possession of any unpublished price sensitive information; or
 - (ii) Communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities

2. Scope

All Directors/officers/designated employees and their dependants

3. Procedures

Definitions-

- a. **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with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, **OR** has received or has had access to such unpublished price sensitive information.
- b. **Price sensitive information** means any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of company.

The following shall be deemed to be price sensitive information:

- (i) periodical financial results of the company;
- (ii) intended declaration of dividends (both interim and final);
- (iii) issue of securities or buy-back of securities;
- (iv) any major expansion plans or execution of new projects;
- (v) amalgamation, mergers or takeovers;
- (vi) disposal of the whole or substantial part of the undertaking; and
- (vii) significant changes in policies, plans or operations of the company;
- c. **Unpublished** means information which is not published by the company or its agents and is not specific in nature.
- d. **Threshold limit** – shall mean the minimum number of securities as decided by the Board from time to time. For the time being the threshold limit is “shares exceeding Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower”.
- e. **Employees** mean – (a) any employee in the rank of Chief Executive Officer, Chief Financial Officer, President, Vice- President, General Manager, Deputy General Manager or equivalent of the Company (b) and such other employees who may be so designated from time to time by the Company for the purpose of this Code.
- f. **Dependent family members** means – Dependent Spouse, Children & Parents of Directors/ Officers/ Employees.
- g. **Trading Window** means – trading period for dealing in Company's Securities as specified by the Company. All days shall be Trading period except those as specified in Clause 3.4(b) herein below.
- h. **Other** terms not defined here shall have same meaning as defined in the Regulation or SEBI Act.

3.2 The **COMPANY SECRETARY**, will be the Compliance Officer for the purpose of this Code for the time being.

3.3 RESPONSIBILITIES OF COMPLIANCE OFFICER

- setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, pre-clearing of employees’ and their dependents’ trades (directly or through respective department heads as decided by the Company) monitoring of trades and the implementation of this Code under the overall supervision of the Directors of the Company.
- maintaining record of the employees and any changes made in the list of such employees and assisting the employees concerned in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and this Code.
- maintaining records of all the declarations in the appropriate form given by the Directors/Officers and Employees for a minimum period of three years and placing before the Managing Director, on a monthly 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

3.4 The Compliance with SEBI ((Prohibition of Insider Trading) Regulations, 1992 at PI Industries Limited will be adhered to by taking following course of action:

- a. Preservation of Price Sensitive Information
- b. Prevention of Misuse of Price Sensitive Information

a. Preservation of Price Sensitive Information shall be ensured as follows:

- Directors/Officers/Employees shall maintain the confidentiality of all Price Sensitive Information and for which they would sign an undertaking as at **Annexure 1** and they 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.
- Price Sensitive Information will be handled on a “need to know” basis and this Information will be disclosed only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information and non published information directly received by any employee should be immediately reported to the Compliance Officer.
- All files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.

b. Prevention of misuse of Price Sensitive Information shall be ensured by imposing following restrictions:

▪ Trading Window

a. The compliance officer will specify a trading period ("Trading Window") for trading in the company's securities. Particularly, the trading window will be closed from the date of Notice issued for holding the Board Meeting to consider on the following events, during the time the information referred below is un-published i.e. it will be closed, *inter alia*, at the time of:-

- i. Declaration of Financial results (quarterly, half-yearly and annual)
- ii. Declaration of dividends (interim and final)
- iii. Issue of securities by way of public/ rights/bonus etc.
- iv. Any major expansion plans or execution of new projects
- v. Amalgamation, mergers, takeovers and buy-back
- vi. Disposal of whole or substantially whole of the undertaking
- vii. Any changes in policies, plans or operations of the company

The Trading Window shall open 24 hours after close of the Board meeting at which decisions in respect of the above events are taken.

b. When the trading window is closed, the Employees/Officers/Directors/ their dependants shall not trade in the company's securities in such period and All Directors/Officers/Employees shall conduct all their dealings in the securities of the Company only when the trading window is open. This sub clause is applicable regardless quantum of securities traded by the aforesaid..

c. 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.

▪ **Pre clearance of trades:**

All Directors/ Officers/Designated Employees and their dependants who intend to deal in the securities of the company above a **minimum threshold limit** should pre-clear the transactions as per the pre-dealing procedure as described hereunder. For pre-clearance, an application may be made in the form given in **annexure 2** to the Compliance officer.

▪ **Other restrictions:**

a. All Directors/Officers/ Designated Employees and their dependants 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.

b. All Directors/ Officers/ Designated employees 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/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.

c. All Directors/ Officers/ Designated employees shall hold all their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period of 30 days shall also apply to subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

d. 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.

e. Analysts, if any, employed with the organization/firm while preparing research reports of the Company(s) shall disclose their share holdings/interest in the company(s) to the Compliance Officer and they not trade in securities of the company for thirty days from preparation of such report.

3.4 Reporting Requirements for Transactions in Securities:

3.4.1. All Directors/Officers/ Designated Employees of PIIL are required to forward following details of their Securities transactions including the statement of dependent family members to the Compliance officer:

a) all holdings in securities of PIIL at the time of joining the company (format in **Annexure 3**);

b) a statement at the end of each half year of any transactions in securities, including those where pre-clearance of Compliance Officer was obtained (format in **Annexure 4**) and if there is no transaction in a particular half year the "NIL" statement is required to be submitted.

c.) Annual Statement of holdings in the Securities of the Company within 30 days of the close of Financial Year of the Company (**same as Annexure 3**)

3.4.2 The Compliance officer shall maintain records of all the declarations, both in physical and electronic form, given by the Directors/Officers/Designated employees and their dependants for a minimum period

of three years.

- 3.4.3** The Compliance officer shall place before the Managing Director, on a monthly basis, all the details of the dealing in the securities by Employees/Directors of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

3.5 Penalty for Contravention of Code of Conduct

The Company may be penalize and take appropriate action against the persons to whom the policy is applicable after giving reasonable opportunity to explain their stand in the matter. They may also be subject to disciplinary action by the Company including warning, fine, wage freeze, suspension, ineligibility for future participation in E.S.O.P. (Employees Stock Option Plans) etc.

Annexure 1

UNDERTAKING

I,, s/o,d/o,w/o,resident of.....,and an employee of PI Industries Ltd., do hereby undertake:

1. that PI Industries Ltd. (hereinafter "PIIL") has given me its Code of Conduct for Prevention of Insider Trading (hereinafter the "Code") which is applicable to me in my capacity as an employee of PIIL, along with an updated copy of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

2. that in terms of the Code, I shall maintain the confidentiality of information obtained in course of my duties or otherwise, and I would continue this obligation till six months after I cease to be an employee of PIIL.

3. that I shall handle the Price Sensitive Information on a "need to know" basis, i.e., price sensitive information will be disclosed only to those within PIIL who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

4. that I shall maintain the security of all Files that contain confidential information

5. that I shall not use Price Sensitive Information to buy or sell securities of any sort, whether for my own account, my dependent family members' account, organization's account or a client's account.

6. that I and my dependant family members shall only deal in PIIL's securities during the period when the Trading Window is open and I shall seek pre-clearance from the Compliance Officer in case I or my dependant family members intend to deal beyond _____ shares of PIIL.

7. I and my dependant family members would similarly comply with the Trading window and pre-clearance threshold norms of PIIL from time to time.

8. that all investments in securities made by me and by my dependent family members would be held for a minimum period of 30 days and sold only on or after the 31st day of holding. In case of Initial Public Offers (IPOs), this 30 days period shall commence from the date of allotment of securities.

9. that I shall report all transactions (purchases and sales) of all securities carried out by me and my dependent family members during each half year (or such other periodicity as may be defined by PIIL from time to time). This reporting would be made on the prescribed format to the Compliance Officer of PIIL.

10. that I shall not communicate, counsel or procure, directly or indirectly, any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities.

I am aware that Insider Trading is a very serious offence inviting grave penalties. I, therefore, undertake not to violate any provisions of the said Code and the regulation laid down by the Securities & Exchange Board of India.

(Signature)

Name:

Date;

Place:

Annexure 2

Application for Pre-Clearance of Trade (For Directors/ Employees) (to be submitted in duplicate)

To,
The Compliance Officer,
PI Industries Ltd.
4th Floor, Tower A,
Millenium Plaza,
Sushant Lok,
Gurgaon, Haryana.

Through Business Line/Support Line Head

1. Name of the Employee/Director
2. Designation & Group
3. If purchase/sale is for dependent family member(s), name(s) thereof and relationship
4. Nature of securities –
Equity shares/Debentures/other securities
5. Name/s of securities
6. Purchase/Sale
7. Number of securities to be purchased/sold
8. Estimated value of securities proposed
to be acquired/subscribed/sold
9. Number of securities presently held
in the company in which purchase/sale is
proposed

Name of Depository Participant :

DP ID No. :

Client ID No.*/ Folio No.* :
(*strike off whichever is not applicable)

Undertaking

In relation to the above dealing, I undertake that:

a) I do not have any access to nor have I received any information that could be construed as “Price sensitive Information” (as defined in the Code of conduct for the Prevention of Insider Trading) up to the time of signing of this undertaking;

b) In the event that I have access to or receive any information that could be construed as “Price Sensitive Information” after the signing of this undertaking but before the execution of the transaction for which the approval is sought, I shall immediately inform the Compliance Officer and shall completely refrain from dealing in the securities for which pre-clearance is sought until such information becomes public;

c) I have not contravened the provisions of the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time;

d) I have made full and true disclosure in the matter;

e) I hereby declare that I shall execute my order in respect of the securities for which pre-clearance is sought within one week after the approval is given. If the order is not executed within one week after the approval, I undertake to obtain fresh pre-clearance.

f) I have not held the security for the stipulated period of 30 days, but wish to sell it for the following reasons (strike out if not applicable).

Place: Signature:

Date: Name:

PRE-CLEARANCE ORDER

APPROVED/REJECTED

Compliance Officer

Date:

(NOTE: If transaction is approved, the approval is valid only for one week after approval date. If the order is not executed within one week after the approval is given, the employee/ director must preclear the transaction again.

Annexure 3

**Director/employee statement of entire holdings in securities
(In own name as well as in the name(s) of dependant family members)**

1. Name:
2. Designation & Group

I hereby declare the particulars of all securities held by me and my dependent family members as on
.....

(dd/mm/yyyy)

Name of the Company

Nature of Security (e.g. equity shares,
preference shares, debentures, etc.)

Number of Securities
(Quantity)

Purchase Value (Rs.)

Date of Transaction /Investment

Date:
Place:

(Signature)

Note: In case extra space is required, please use one or more copy of this form, number the sheets as 1/3, 2/3 and 3/3 (if 3 sheets are used). Fill personal particulars on each sheet and sign all sheets.

Annexure 4
Statement of Transactions in Securities during the calendar half year ended.....

1. Name:

2. Designation & Group:

Details of all Securities purchased and sold during the quarter, either on my own account or on my dependent family members' account

Purchase:

Name of the Company

Nature of Security

(e.g. equity shares, preference shares, debentures, etc.)

Number of Securities

(Quantity)

Purchase Value (Rs.)

Date of Transaction /Investment

Sale:

Name of the Company

Nature of Security (e.g. equity shares, preference shares, debentures, etc.)

Number of Securities

(Quantity)

Sale Value of Securities (Rs.)

Date of Sale

Date of original investment/ purchase

1. I hereby declare and affirm that till date, I have not dealt in securities on the basis of any unpublished price sensitive information coming to my knowledge in the course of my employment or otherwise in the Company, in my name or in the name of my dependent family members.

2. I further declare that while acquiring the above securities, I was fully aware of the provisions of the SEBI (Insider Trading) Regulations, 1992 and other SEBI Rules and Regulations as applicable to the Company.

3. All transactions entered into by me and my dependent family members were in accordance with the Company's Code of Conduct for Prevention of Insider Trading.

Date: Signature of Employee

Note: In case extra space provided is not sufficient to cover all transactions, please use extra sheets and mention the number of extra sheets used on the main form.