

*INDAG RUBBER LTD*

*CODE FOR*

*PREVENTION OF*

*INSIDER TRADING*

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## **INDAG RUBBER LIMITED**

### **CODE FOR PREVENTION OF INSIDER TRADING, 2011**

#### **CHAPTER I**

##### **1. Introduction**

Pursuant to SEBI (Insider Trading) (Amendment) Regulations, 2002, the Board of Directors of Indag Rubber Ltd approved the "Code for Prevention of Insider Trading" which came into force with immediate effect. The objective of the Code is to prevent dealing in securities of the Company by an Insider either on his own behalf or on behalf of any other person, on the basis of unpublished price sensitive information.

In line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008 issued in November, 2008, the following Code of Conduct (hereinafter referred to as the 'Code') has been adopted by the Board of Directors of the Company and shall be effective from immediate effect.

##### **2. The Policy and Obligations**

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such 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 and 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/Executive Director/General Manager and other designated employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, Indag Rubber Limited (hereinafter referred to as "Indag") hereby notifies that this code to be followed by all Directors/Executive Directors/General Managers and other designated employees of Indag.

##### **3. Applicability**

This Code shall apply to the Board Members, Employees and their relatives. The provisions of this Code shall be applicable irrespective of whether the securities are held by a Board Members or Employee solely or jointly along with any other person(s) or by their relatives.

#### 4. Definitions and Interpretations:

- **“Code”** shall mean Code of Conduct for the prevention of Insider Trading of Indag;
- **Compliance Officer** shall be the person holding the position of the Company secretary of the Company, from time to time;
- **“Dealing in securities”** means an act of [subscribing,] buying, selling or agreeing to [Subscribe,] buy, sell or deal in any securities by any person either as principal or agent;
- **“Dependents”** shall with reference to a Board Members or Employee mean family members including spouse, children, parents and other dependents relative of Board Member or Employee;
- **Designated Employee** Shall mean (i) Members of the Board (ii) All HODs including Advisors;(iii) All employees in the grade of executive and above working for Secretarial & Legal, Accounts, Finance & Commercial Department (iv) any other employee declared as Designated Employee from time to time;
- **“Insider”** means any person who,
  - (a) 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 INDAG or
  - (b) has received or has had access to such unpublished price sensitive information.
- **“Officer of the Company”** means any person as defined in clause (30) of Section 2 of the Companies Act, 1956 including an auditor of the company.

Section 2(30) of the Companies Act, 1956 provides that “Officer of a Company” includes any director, manager or secretary or any person in accordance with whose directions or instructions the Board of directors or any one or more of the directors is or are accustomed to act.
- **“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 Indag. The following shall be deemed to be price sensitive information for the purpose of this code :—
  - (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;
- (vii) and significant changes in policies, plans or operations of the company;

- **“Relatives”** mean relatives as per the provisions of the Companies Act, 1956( As per annexure-F)
- **“SEBI Insider trading Regulations”** shall mean the SEBI (Prohibition of Insider Trading) Regulation, 1992, as amended time to time;
- **“Trading Window”** shall mean the time period during which Dealing in Securities of Indag shall be permitted and which shall be as specified in paragraph 7.1 herein
- **“Unpublished Information”** means information which is not published by the company or its agents and is not specific in nature. Speculative Reports in print or electronic media shall not be considered as Published information.

This Code shall apply to the Board Members, Employees and their relatives. The provisions of this Code shall be applicable irrespective of whether the securities are held by a Board Members or Employee solely or jointly along with any other person(s) or by their relatives.

## CHAPTER II

### CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

#### 5. Compliance Officer

5.1 In accordance with the requirements of the SEBI Insider Trading Regulations, Indag shall have a Compliance Officer, who shall report to the Chief Executive Officer. The Compliance Officer shall be responsible for:

- ❖ Setting forth policies, procedures.
- ❖ Monitoring adherence to the rules for the preservation of "Price Sensitive Information" as set forth in this Code and applicable Laws.
- ❖ Pre-clearing; of designated employees' and their dependents' trades (directly or through respective department heads as decided by Indag).
- ❖ Monitoring of trades and the implementation of the Code under the overall supervision of the Board of Indag.

5.1 The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

5.2 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, 1992 and the code.

#### 6. Preservation of "Price Sensitive Information"

6.1 The Board of Directors and the Employees shall maintain the confidentiality of all Price Sensitive Information.

The Board of Directors and the Employees 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.

6.2 Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those Board Members, Employees and/or to such other persons within the company who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

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

**6.4** All directors/officers and designated employees of Indag shall be subject to trading restrictions as enumerated below.

## CHAPTER III

### TRADING RESTRICTIONS

#### 7. Trading Window

- 7.1** The Trading period or the Trading Window for dealing in the Securities of Indag shall be the period excluding the period as specified in paragraph 7.3. Subject to paragraph 7.4, the Board Members, Designated Employees and their Dependants shall Deal in securities of Indag only during the time period when the Trading Window is open.
- 7.2** The Board Members, Designated Employees and their Dependants shall not Deal in securities of Indag only during the time period when the Trading Window is closed.
- 7.3** The Trading Window shall be closed 10( ten) days before the date of Board Meeting on the following matters:
- (a) Declaration of periodical financial results of the company;
  - (b) Intended declaration of dividends (both interim and final);
  - (c) Issue of securities or buy-back of securities;
  - (d) Any major expansion plans or execution of new projects.
  - (e) Amalgamation, mergers or takeovers;
  - (f) Disposal of the whole or substantial part of the undertaking;
  - (g) Any significant changes in policies, plans or operations of Indag
  - (h) Any other matters as may be notified by the Compliance Officer in this regard from time to time
- 7.4** The Trading Window shall be re-opened 48 hours after the information referred to in paragraph 7.3 (a) to (h) hereinabove is made public.
- 7.5** In case of employee stock option scheme ("ESOPs"), exercise of option if any, to convert the ESOP in to equity shares of Indag ("Equity Shares") 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.
- 7.6** Notwithstanding anything to the contrary herein, if a Board Member, Designated Employees and their Dependants intends to deal in the securities of Indag exceeding **2000 shares** in financial year then such Board Member or Designated Employee should ensure that he/ she pre- clears the

deal as per the pre-clearance procedure described in paragraph 8 for the purpose of computing limit of **2000** shares, the dealing by designated Employee or Board Members along with the Dependants shall be taken in to consideration.

## **8. Pre-clearance of trades**

**8.1** All the Board Members, Designated Employees and their Dependants who intend to deal in the securities of the company (above a minimum threshold limit as per paragraph 7.6) should pre-clear the transaction as per the pre-dealing procedure as described **hereunder**.

**8.2** An application shall be made in **form 'G'**, to the Compliance Officer indicating the estimated number of securities that the Board Member, Designated Employee 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.

**8.3** An undertaking shall be executed in favour of the company by such Board Members, Designated Employees incorporating, *inter alia*, the following clauses:

- (a) That Board Member, Designated Employee does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
- (b) That in case the Board Member, Designated Employee 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.
- (c) That he/she has not contravened the Code for prevention of insider trading.
- (c) That he/she has made a full and true disclosure in the matter.

## **9. Other restrictions**

**9.1** All the Board Members, 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 Board Members, Designated Employees and their Dependants must pre-clear the transaction again in accordance with the procedure detailed in paragraph 8

- 9.2** All the Board Members, Designated Employees and their Dependants 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.
- 9.3** All the Board Members, Designated Employees and their Dependants shall also not take positions in derivative transactions in the shares of the company at any time.
- 9.4** In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
- 9.5** In case the sale of securities of Indag is necessitated by personal emergency, the holding period as prescribed under paragraph 9.2 may be waived by the compliance officer after recording in writing his/her reasons in this regard.
- 9.6** Any Designated Employee of the Company , shall disclose to the company within two days, where the securities are listed in form as per Annexure, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holding of such person and his dependants (as defined by the company) from the last disclosure made under sub- regulation (2), and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower”

## CHAPTER IV

### 10. REPORTING AND DISCLOSURE REQUIREMENTS

**10.1** All the Board Members and Designated Employees shall forward to the Compliance Officer following details of their securities transactions including the statement of dependent family members:

- (a) All holdings in securities of the company, at the time of joining the company;
- (b) All dealings in securities of the company within a period of 15( Fifteen) days of transaction;
- (c) Annual statement of all holdings in securities of the Company.
- (d) Quarterly statement of transactions in Securities of Indag and undertaking in the format as attached "**Form 'E'**". The same shall be submitted by the Board Members and Employees within a period of 15(fifteen) days from the end of the relevant calendar quarter.

**10.2** The Compliance Officer shall maintain records of all the declarations/undertakings/forms as mentioned in this Code, as received from time to time, for a period of three years.

**10.3** The Compliance Officer shall place before the CEO on a quarterly basis, all the details of the dealing in the securities of Indag received from the Board Members and Designated Employees and their Dependants that such persons had executed under the pre-dealing procedure as envisaged in this Code.

### 11. Disclosure Requirements

*Disclosure of Interest or holding by Directors and Officers and Substantial Shareholders*

**11.1** The following disclosures shall be made to the Compliance Officer:

By Whom	What to be disclosed	When to be disclosed	Form
Any person holding more than 5% shares or voting rights	Number of Shares or voting rights held by such person	Within 2 working days of a) receipt of intimation of allotment of shares; or b) acquisition of shares or voting rights, as the case may be.	A
Director/Officer	Number of shares or Voting rights and position taken in derivatives by	Within 2 working days of becoming a director or officer of the company	B

	such persons and his dependants		
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## II. Continual Disclosures

By Whom	What to be disclosed	When to be disclosed	Form
Any person holding more than 5% shares or voting rights	a) Number of Shares or voting rights held and b) Change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure and such change exceeds 2% of total shareholding or voting rights in the Company.	Within 2 working days of : a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be.	C
Director/Officer to the Company and Stock Exchange also	a) Number of shares or voting rights held and b) Change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependants from the last disclosure and the change exceeds Rs. 5 Lakh in value or 25,000 shares or 1% of total shareholding or voting rights whichever is lower.	Within 2 working days of : a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be	D
All the Board Members and Designated Employees	Details of their securities transactions including the statement of dependent family members:	Quarterly statement of transactions in Securities of Indag and undertaking in the format:  Within a period of 15(fifteen) days from the end of the relevant calendar quarter.	E
All the Board Members and	List of their Relatives	(a) At the time of joining Indag	F

Designated Employees		(b) Up to 15 <sup>th</sup> April of each year	
All the Board Members and Designated Employees	Dealing in Securities of the Company above minimum of 2000 Shares.	Before dealing in the Securities	G

**Disclosure by Company to Stock Exchange**

**11.2** The information received as per above disclosure shall be intimated to all stock exchanges on which the Shares of the company are listed within two working days of receiving the same.

**Violation of provision relating to disclosure**

**11.3** Without prejudice to the directions under regulation 11 of SEBI (Prohibition of Insider Trading) Regulations 1992, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11B, 11D, Chapter VIA and Section 24 of the SEBI Act.

## CHAPTER V

### MISCELLANEOUS

#### **12. Penalty for Contravention of the Code**

**12.1** All the Board Members, Designated Employees and their Dependants who trades in securities or communicates any information for trading in securities in contravention of the code may be penalized and appropriate action may be taken by the Company.

**12.2** All the Board Members, Designated Employees and their Dependants who violate this Code shall also be subject to disciplinary action by the company, which may include wage, salary freeze, suspension, withholding of promotions etc.

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

#### **13. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended**

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

It shall be the responsibility of designated employees/directors to ensure compliance of all the above clauses in case of their dependants also.

**Form 'A'- Initial Disclosure (Refer Clause 11.1 of the Code)**

**I. DETAILS OF ACQUISITION OF 5% OR MORE SHARES**

Name, PAN No. and Address with telephone number	Shareholding prior to acquisition	No. and percentage of shares/voting rights acquired	Date of receipt of allotment /a dvice. Date of acquisition (specify)	Date of intimation to Company	Mode of Acquisition (Market purchase/public/rights/preferential offer etc.)	Shareholding Subsequent to acquisition	Trading member through whom trade was executed with SEBI Regn. No. of the TM	Exchange on which the trade was executed	Buy quantity.	Buy value

**Form 'B'- Initial Disclosure (Refer Clause 11.1 of the Code)**

**II. DETAILS OF SHARES HELD OR POSITIONS TAKEN IN DERIVATIVES BY DIRECTOR OR OFFICER AND HIS DEPENDANTS\***

Name, PAN No. and Address of Director/Officer	Date of assuming office of Director/Officer	No. & % of shares/voting rights held at the time of becoming Director/Officer	Date of intimation to Company	Mode of Acquisition (Market purchase/public/rights/preferential offer etc.)	Trading member through whom trade was executed with SEBI Regn. No. of the TM	Exchange on which the trade was executed	Buy qty	Buy value

**Note: The above table shall be applicable with suitable modifications to disclosures for position taken in derivatives also.**

**Form 'C'- Continual Disclosure (Refer Clause 11.1 of the Code)**

**III. DETAILS OF CHANGE IN SHAREHOLDING IN RESPECT OF HOLDING MORE THAN 5% SHARES**

Name, PAN No. and Address with telephone number	Shareholding prior to acquisition/Sale	No. and percentage of shares/voting rights acquired/Sold	Receipt of allotment/ advice. Date of acquisition/Sale (specify)	Date of intimation to Company	Mode of Acquisition (Market purchase/public/rights/preferential offer etc.)	Shareholding Subsequent to acquisition/Sale	Trading member through whom trade was executed with SEBI Regn. No. of the TM	Exchange on which the trade was executed	Buy qty.	Buy value	Sell Qty	Sell Value

**Form 'D'- Continual Disclosure (Refer Clause 11.1 of the Code)**  
**II. DETAILS OF CHANGE IN SHAREHOLDING BY DIRECTOR OR OFFICER AND HIS DEPENDANTS**

Name, PAN No. and Address with telephone number	No. & % of shares / voting rights acquired / sold	Date of Receipt of allotment advice / acquisition of shares / sale of share / voting rights	Date of intimation to company	Mode of Acquisition (Market purchase/ public/ rights/ preferential offer etc.)	Shareholding Subsequent to acquisition/Sale	Trading member through whom trade was executed with SEBI Regn. No. of the TM	Exchange on which the trade was executed	Buy qty.	Buy value	Sell Qty	Sell Value

**Form 'E'**

To,  
The Compliance Officer  
Indag Rubber Ltd.  
11, Community centre, Saket  
New Delhi-110017

**Re: Quarterly Disclosure of Securities**

Dear Sir,

With reference to above subject, I hereby undertake and declare that the following constitutes full and true disclosure of all Securities of Indag Rubber Ltd held by me.

Sl No.	Type of Securities	Number of Securities

Further the following constitutes full and true disclosure of all investment in Securities of Indag Rubber Ltd held by my Dependents:

1. (Name of Dependents and relationship with the concerned Board Member/ Designated Employee)

Sl No.	Type of Securities	Number of Securities

Further, I have undertake declare that I have not contravened the provisions of the Code for Prevention of Insider Trading as notified by Indag Rubber Ltd from time to time.

Signature:

Name:

Designation:

Department  
Location:

**Form 'F'**

**List of Relatives as defined in Section 6 of the Companies Act, 1956**

**SCHEDULE IA** [See section 6(c)]

1. Wife
2. Father
3. Mother (including step-mother).
4. Son (including step-son).
5. Son's wife.
6. Daughter (including step-daughter).
7. Father's father.
8. Father's mother.
9. Mother's mother.
10. Mother's father.
11. Son's son.
12. Son's wife.
13. Son's daughter.
14. Son's daughter's husband.
15. Daughter's husband.
16. Daughter's son.
17. Daughter's son's wife.
18. Daughter's daughter.
19. Daughter's husband.
20. Brother (including step-brother).
21. Brother's wife.
22. Sister (including step-sister).
23. Sister's husband.
24. Member of H.U.F

**Form G (Refer Clause 8.2 of the Code)  
Application for Pre-clearance**

(For use by Directors/Officers/ Designated Employees in case deal in the securities of Company above minimum of 2000 shares of the Company)

To,  
The Compliance Officer  
Indag Rubber Ltd.

Dear Sir,  
I am desirous of dealing in the below-mentioned securities of the Company in my own name or on behalf of my dependent family member (write name of family member and relationship) and seek your approval to acquire/ purchase/ sell them.

Type of Security	No. of Shares	Market Price	Mode of acquisition Purchase/ Salephysical/ Demat	Date by which trade is proposed to be executed	Folio No./ DP ID No./Client ID No. along with the name of depository	Present Holding (No. of Shares)	
						Physical	Demat
Equity Shares							

In relation to the above Acquisition/ Purchase/ Sale, I undertake that:

- I have no access to nor do I have any information that could be construed as "Price Sensitive Information" up to the time of signing this undertaking.
- In case, I get access to or receive any "Price Sensitive Information" after signing this application but before the execution of the transaction, I shall inform you of the change in position and shall refrain from dealing in Shares till such information is made public.
- I have not contravened the Company's Code for Prevention of Insider Trading as notified by the company from time to time.
- I have made full and true disclosure in this application.

Signature:  
Name:  
Designation:  
Department:  
Location: