

Parekh Aluminex Limited

Prohibition of Insider Trading

INTRODUCTION:

POLICIES AND OBLIGATIONS:

Securities and Exchange Board of India (SEBI) has made regulations called Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ('the Regulations') on November 19, 1992 as amended by amendment regulations on February 10, 2002.

The object of these regulations is to curb the practice of insider trading in the shares of a listed company. Insider trading is an unethical practice which tantamounts to betrayal of fiduciary position of trust and confidence.

It is the policy of the Company to strive to preserve the confidentiality of '**UNPUBLISHED PRICE SENSITIVE INFORMATION**' and to prevent misuse of such information.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Every Specified person of the Company has a duty to safeguard the confidentiality of all of '**UNPUBLISHED PRICE SENSITIVE INFORMATION**' obtained in the course of his/her duty and not to use his/her position or knowledge of Company to gain personal benefit or to provide benefit to any third party.

Pursuant to the provisions of Regulation 12 of the Regulations, the Company has framed a comprehensive set of guidelines - '**THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**' ('the Code'), which lays down in a concise manner the ethical values to be followed by specified persons, to whom the Code is applicable, so as to promote ethical behaviour on day to-day basis, create a corporate culture of trust, honesty, integrity, transparency, accountability by prohibiting directors / employees from using inside information to their own investment advantage and from disclosing such information for use by outsiders.

To achieve these objectives, the Company hereby notify the '**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**' to be followed by :

- a). All the Directors on the Board of Directors of the Company;
- b). Secretaries, Executive Secretaries and Executive Assistant(s) to the Directors.
- c). All management staff of the Grade - Assistant Managers and above of all Departments;
- d). Employees of the Finance, Accounts and Secretarial Departments of the Company; and
- e). Designated group persons who by virtue of their position have an excess to unpublished sensitive information relating to the company and who is designated by the Chairman of the Company.

CONFIDENTIALITY AGREEMENT:

All Specified Persons would have to sign a confidentiality agreement (Refer Pro-forma I) undertaking an obligation to protect the confidentiality of information obtained by him/her while working with the Company. The obligation would continue for *six* months after the Designated Employee leaves the Company.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

CODE OF CONDUCT:

- 1) This Code of Conduct shall be called " **PAREKH ALUMINEX LIMITED CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**" (hereinafter referred to as 'the Code of Conduct').
- 2) The Code of Conduct shall come into force with immediate effect.
- 3) The Code of Conduct shall, be applicable to the specified persons as defined herein below:

Specified Persons means :.

- a) All the Directors on the Board of Directors of the Company;
- b) Private Secretaries, Executive Secretaries and Executive Assistant(s) to the Directors.
- c) All management staff of the Grade - Assistant Managers and above of all Departments;
- d) Employees of the Finance, Accounts and Secretarial Departments of the Company; and
- e) Designated group persons who by virtue of their position have an excess to unpublished sensitive information relating to the company and who is designated by the Chairman of the Company.

COMPLIANCE OFFICER:

- 4) The Company hereby appoint Mr. Vaikul Prasad (Account Executive) as the Compliance Officer, under this Code, who shall report to the Chairman and the Managing Director.
- 5) 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 specified persons' and their dependents' trades (directly or through respective department heads as decided by the Company), monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board of Directors of the Company.
- 6) The Compliance Officer shall maintain a record of the specified persons and any changes' therein.
- 7) The Compliance Officer shall assist all the specified.. persons in addressing any clarifications regarding the Regulations and the Company's Code of Conduct.

UNPUBLISHED PRICE SENSITIVE INFORMATION:

8) **'Unpublished Price Sensitive Information'** means any information which is material and unpublished i.e. generally not known or published by the Company for general information but, which if published or known, is likely to materially affect the price of the securities of the Company in the stock market. This will include, but shall not be limited to, financial results, intended declaration of dividends, issue of securities, any major expansion plans or execution of new projects, amalgamation, mergers and take-overs, disposal of the whole or substantially the whole of the undertaking, such other information as may affect the earnings of the Company, any changes in policies, plans or operations of the Company, etc.

PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION :

9) The specified persons shall maintain confidentiality of all **'Unpublished Price Sensitive Information'**. The specified persons 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 of the Company based on the same.

NEED TO KNOW:

10) **'Unpublished Price Sensitive Information'** shall be handled on a **'need to know' basis**. Such information should 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.

11) All non-public information directly received by any specified persons should be reported to the head of his/her department / Compliance Officer.

LIMITED ACCESS TO CONFIDENTIAL INFORMATION:

12) All files containing confidential information shall be kept secure under lock and key. Computer files shall have adequate security of login and passwords

PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

13) All Specified persons shall be subject to certain trading restrictions as enumerated below;

- a) The Company has designated a **'Trading Window' period** being **the period during which transactions in the shares of the Company can be effected** by specified persons (hereinafter referred to as **'Trading Window'**) for trading in the Company's securities;
- b) The **TRADING WINDOW** shall remain **closed** from the date of notice given to Stock Exchanges for convening the meeting of the Board of Directors of the Company to consider:
 - 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; and vii Any changes in policies, plans or operations of the Company.
- c) The specified persons shall not trade in the Company's securities during the period when the **TRADING WINDOW** is closed and will have to forego the opportunity to trade in the Company's securities during such period.
- d) The **TRADING WINDOW** shall be **opened 24 hours** after the information referred to in Clause (b) is made public.
- e) All specified persons 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 or during any other period as may be specified by the Company from time to time. .
- 14) All specified persons who intend to deal in the securities of the Company from and above 1000 shares or Rs 50,000 in value (whichever is lower) shall get the transactions pre-cleared in the manner enumerated below:
- a) An application in the prescribed form shall be made to the Compliance. officer by the specified persons indicating the estimated number of securities that such person intends to deal in, details of depository and such other information as may prescribed by the company (Pro-forma II and III);
 - b) Before the deal is executed, the specified person shall execute an undertaking (Proforma IV) in favour of the Company incorporating inter-alia, the following clauses, as may be applicable that:
 - (i) the specified person does not have any access or. has not received 'Unpublished Price Sensitive Information' up to the date of signing the undertaking;
 - (ii) in case the specified person has access to or receives 'Unpublished Price Sensitive Information' after the signing of this undertaking but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in his/her position and that he/she shall completely refrain from dealing in the securities of the Company till such time such information becomes public;
 - (iii) he/she has not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time; and
 - (iv) he/she has made full and true disclosure in the matter.

OTHER RESTRICTIONS:

- 15) All specified persons shall execute their order in respect of the securities of the Company within one week after pre-clearance approval is received. The date on which the order is executed shall be intimated forthwith to the Compliance Officer in the prescribed format (Proforma V). If the order is not executed within one week after the approval is given, the specified person must pre-clear the transaction again and inform the Compliance Officer in writing within four days thereof.
- 16) The specified persons shall hold 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 shall also apply to subscription in the primary market, in which case, the holding period shall commence from the date when the securities are actually allotted. The Compliance Officer shall not pre-clear any trade that would cause short term profit.
- 17) The Compliance Officer may waive the holding period in cases where the sale is necessitated by personal emergency after recording reasons, in writing in this regard. An application in this regard shall be made to the Compliance Officer in the prescribed format (Pro-forma VI).

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES :

- 18) (a) All specified persons shall disclose to the Company, the number of shares or voting rights held by such person, within four working days of he/she becoming a Director (Proforma VII) specified persons other than Director of the Company (Proforma VIII);
 - (b) All specified persons shall disclose to the Company on a continuing basis, the total number of shares or voting rights held and any change therein if such change exceeds Rs. 5,00,000/- in value or 5000 shares or 2% of total shareholding or voting rights, whichever is lower (as on date, the Company has issued 40,00,000 equity shares of Rs.10 each and the threshold limit of 2 % is 80,000 equity shares) (Proforma IX and X as the case may be): and
 - (c) The disclosure mentioned in Clause (b) above shall be made within 4 working days of :
 - (i) the receipt of intimation of allotment of shares; or
 - (ii) the acquisition or sale of shares or voting rights, as the case may be.
- 19) The Directors shall forward details of their securities transactions including that of their relatives (as defined in Section 6 of the Companies Act, 1956) and specified persons other than Directors for themselves and their spouse & dependent family members (that is dependent children and dependent parents) to the Compliance Officer as under:
 - a) periodic statement of any transactions in securities of the Company as may be specified by the Company from time to time (Proforma XI and XII as the case may be) ; and
 - b) annual statement of all holdings in securities of the Company as at the end of each Financial Year of the Company. to be furnished on or before *April 30* each year. (Proforma XIII and XIV as the case may be).

- 20) The Compliance Officer shall maintain records of all the declarations in the appropriate forms given by the specified persons for a minimum period of three years.
- 21) The Compliance Officer shall furnish to the Chairman and Managing Director or a Committee specified by the Company, on a monthly basis, all the details of the dealings in the securities of the Company by specified persons and the accompanying documents such persons had executed under the pre-dealing procedure.

PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT :

Any specified person who trades in securities of the Company or communicates any information for trading in the securities of the Company. in contravention of the Code of Conduct shall be held guilty and penalised and appropriate action shall be taken by the Company, which may include wage freeze, suspension, etc.

The penal action taken by the 'Company shall not preclude SEBI from taking any action in case of violation of the Regulations

INFORMATION TO SEBI IN CASE OF VIOLATION:

The Compliance Officer shall inform SEBI cases of any violation of the Regulations so that appropriate action may be taken.

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