

INDUSTRIAL INVESTMENT TRUST LIMITED

Code of Conduct for Prevention of Insider Trading

The Policy and Obligations

To achieve the objectives of this Code, Industrial Investment Trust Limited (herein after referred to as “the Company”) hereby notifies that this code of conduct shall be followed by all directors, officers, designated employees and connected persons.

The Company endeavours 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, 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 provide benefit to any third party.

Part A - Definitions

‘Insider Trading’ : When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading;

‘Insider’ means any person who is or was a “Connected Person” or a “Deemed Connected Person” and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or who has received or has had access to such unpublished price sensitive information.

‘Company’ means Industrial Investment Trust Limited;

‘Compliance Officer’ means the Company Secretary of the Company;

‘Connected Persons’ means any person who

- (i) is a director of the company; or
- (ii) an officer or employee of the company; or
- (iii) has a professional or business relationship with the company
- (iv) is connected person six months prior to an act of insider trading

‘Deemed Connected Persons’ means and includes:

- (i) Any group company, company under the same management or subsidiary of the Company;
- (ii) Dependent Family Members of Connected Persons;
- (iii) Bankers of the Company;
- (iv) Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company;
- (v) Trustees of any trust the beneficiaries of which include any of the Connected Persons;
- (vi) Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company;
- (vii) Any person who was a connected person, whether temporary or permanent six months prior to an act of insider training;
- (viii) Persons having professional or business relationship between themselves and the company, whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information;

- (ix) Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992;
- (x) relatives of the connected persons;
- (xi) a concern, firm, trust, Hindu Undivided Family, Company or Association of Persons wherein the relatives of persons as mentioned have more than 10% of the holding or interest.

‘Dealing in Securities’ means buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent and includes exercising of options;

‘Officer’ means and includes any employee of the Company in the rank of Chief Engineer and above and includes statutory and internal auditors of the Company;

‘Designated Employee’ shall mean:

- (i) Managing and Whole-time Directors;
- (ii) General Managers; and
- (iv) Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

‘Dependent Family Members’ shall mean the employee’s spouse, dependent parents and dependent children;

‘Price Sensitive Information’ 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.

Explanation : 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;
- (vii) any significant changes in policies, plans or operations of the company.
- (viii) disruption of operations due to natural calamities;
- (ix) commencement of any new commercial production or commercial operations where the contribution therefrom is likely to exceed 5% of the total turnover of the Company during that financial year;
- (x) developments with respect to changes in pricing/realisation on goods and services arising out of changes in government policy;
- (xi) Litigation/dispute with a material impact;
- (xii) Revision of credit ratings assigned to any debt or equity instrument of the Company;
- (xiii) 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;

‘Prohibited Period’ means;

- (i) Period beginning with the **day of the announcement of the meeting** of the Board of Directors to be held to consider any price sensitive information and ending after 24 hours from the time the Price Sensitive information is made public.
- (ii) Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman / Managing Director of the Company.

Illustration of Prohibited Period

Date of Board Meeting	: January 20, 200#
Date of commencement of Prohibited Period	: January 13, 200#
Date of conclusion of Prohibited Period (24 hours after the conclusion of the Board Meeting)	: January 21, 200#

‘Free Period’ means any Period other than the Prohibited Period.

‘Working Day’ shall mean the working day when the regular trading is permitted on the concerned stock exchange where securities of the company are listed.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992.

Part B

1. Compliance Officer

The Company has appointed the Company Secretary as compliance officer who shall report to the Chairman / Managing Director of the Company.

1.1 Duties of Compliance Officer

1. He / She shall maintain a record of designated employees and any changes made to the list of Connected Persons.
2. He / She may in consultation with the Chairman / Managing Director and shall as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof.
3. He / She shall maintain a record of Prohibited Period specified from time to time.
4. He / She shall be responsible for setting forth 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 implementation of the Code of Conduct under the overall supervision of the Board of the Company.
5. He / She shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, Designated Employees for a minimum period of three years.
6. He / She shall place before the Chairman / Managing Director, all the details of the dealing in the securities by Designated Employees, Directors, Officers of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules, upon the receipt of the same.

7. He / She shall from time to time inform the Stock Exchanges of any price sensitive information on immediate basis.
8. He / She shall intimate to all Stock Exchanges on which the securities of the company are listed the information received under clause 6 of Part B.
9. He / She shall be responsible for overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Chairman / Managing Director.
10. He / She shall ensure that prohibited period is intimated to all concerned at least 48 hours before the commencement of the said period.
11. He / She shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 within 7 days of knowledge of violation.

2. **Preservation of "Price Sensitive Information"**

Directors, Designated Employees, Officers shall maintain the confidentiality of all Price Sensitive Information. Employees/ Directors 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. Following practices should be followed in this regard.

2.1 **Need to know**

Unpublished 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 discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

2.2 **Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

3. **Prohibition on dealing, communicating or counselling on matters relating to Insider Trading**

No Insider shall –

- (i) either on his own behalf, or on behalf of any other person, deal in securities of the company when in the possession of any unpublished price sensitive information;
- (ii) communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

4. **Trading Restrictions**

All directors/ officers and designated employees of the company shall be subject to trading restrictions as enumerated below :-

4.1 **Trading Window**

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information.

During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities.

The Directors, Officers and 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.

4.2 The trading window shall be, inter alia, closed at the time of :-

- (a) Declaration of Financial results (quarterly, half-yearly and annual)
- (b) Declaration of dividends (interim and final)
- (c) Issue of securities by way of public/ rights/bonus, etc.
- (d) Any major expansion plans or execution of new projects
- (e) Amalgamation, mergers, takeovers and buy-back
- (f) Disposal of whole or substantially whole of the undertaking
- (g) Any changes in policies, plans or operations of the Company
disruption of operations due to natural calamities;
- (h) Commencement of any new commercial operations where the contribution therefrom is likely to exceed 5% of the total turnover of the Company during that financial year;
- (i) Developments with respect to changes in pricing / realisation on services arising out of changes in government policy;
- (j) Litigation / dispute with a material impact;
- (k) Revision of credit ratings assigned to any debt or equity instrument of the Company;
- (l) 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;

4.3 The period of closure shall be effective from the date of announcement of the meeting of the Board of Directors upto 24 hours after the information is submitted to the Stock Exchange.

4.4 All Directors, Officers, Designated Employees of the company shall conduct all their dealings 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. **Reporting Requirements for transactions in securities**

5.1 **Initial Disclosures**

Every Director, Officer and Designated Employee of the Company on being appointed as such shall disclose to the Company, in the prescribed format, the number of shares or voting rights in the Company held and positions taken in derivatives by him and his dependent family members within 2 working days of becoming a Director or Officer or Designated Employee of the Company.

5.2 **Continual Disclosures**

- (i) Every Director, Officer and Designated Employee of the Company shall disclose to the Company and the stock exchange where the securities are listed, in the prescribed format, the number of shares or voting rights in the Company held and change in shareholding or voting rights, if any, by him and his dependent family members from the last disclosure made under this Clause or under Clause 5.1, if such *change* exceeds Rupees Five lakhs in value or 25,000 shares or 1% of the total shareholding or voting rights, whichever is lower or any revised limits notified by SEBI from time to time.

“Change” means a net change arrived at after taking netting off purchases and sale of securities.

- (ii) The aforesaid disclosure has to be made within 2 working days of :-
 - (a) the receipt of intimation of allotment of shares; or
 - (b) the acquisition or sale of shares or voting rights, as the case may be

- (iii) The disclosures under this Clause shall be sent to the Compliance Officer of the Company.

5.3 Annual Disclosures

All Directors, Officers, Designated Employees and their dependent family members dealing in the Securities of the Company shall be required to forward following details of their Securities transactions including the holdings of dependent family members to the Compliance officer:

- (a) All holdings in securities of the Company by Directors, Officers, Designated Employees at the time of joining the Company; and
- (b) Annual statement of all holdings in securities of the Company in the prescribed format as on March 31 of each year, before April 30 of that year.

5.4 Disclosure by the Company to Stock Exchanges

Within 2 working days of the receipt of the information under Clause 5.1 and 5.2, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

5.5 E-filing

The disclosures required under the above Clauses may also be made through electronic filing in accordance with the system devised by the stock exchange.

5.6 Records of disclosures received by the Company

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers and Designated Employees for a minimum period of three years.

The Compliance officer shall place before the Chairman / Managing Director, all the details of the dealing in the securities by the Designated Employees, Directors, Officers of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code, upon the receipt of the same.

6 Pre-clearance of trades

All Directors, Officers, Designated Employees of the company and their dependent family members who intend to deal in the securities of the company during free period in excess of **10000** equity shares in number shall pre-clear the transactions as per the pre-dealing procedure as described hereunder.

6.1 Pre-dealing Procedure

An application for pre-clearance of trade may be made in Form 'P-1' to the Compliance Officer

An undertaking shall be executed in favour of the company by such Designated Employee, Director, Officer incorporating, inter alia, the following clauses, as may be applicable:

- (a) That the employee/ director/officer 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 Designated Employee, Director, Officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance officer of the change in his position and that he or she would completely refrain from dealing in the securities of the company till the time such information becomes public.

- (c) That he or she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- (d) That he or she has made a full and true disclosure in the matter

The Compliance Officer shall on receiving an application provide the Director, Officer, Designated Employee with an acknowledgement on the duplicate of the application.

The Compliance Officer shall grant approval within 2 days from the date of acknowledgement.

The Compliance Officer shall retain copies of all applications and acknowledgements.

In exceptional circumstances consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the basis of possession of any unpublished Price sensitive information. There shall be no obligation to give reasons for any withholding of consent.

If so requested by the Compliance Officer, Director, Officer, Designated Employee must ensure that his stockbroker is authorised to disclose to the Company all matters relevant to his share dealings.

6.2 **Other restrictions**

All Directors, Officers, Designated Employees and their dependent family members 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 Directors, Officers, Designated Employees must pre clear the transaction again.

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.

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.

In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his or her reasons in this regard. An application for waiver of holding period shall be made to the Compliance Officer in Form 'P-2'.

7. Penalty for contravention of Code of Conduct

Any Director, Officer, Designated Employee who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by the Company.

Directors, Officers, Designated Employees of the Company who violate this Code of Conduct shall also be subject to disciplinary action by the company, which may include wage or salary freeze, suspension, ineligibility for future participation in employee stock option plans, withholding of promotions, etc.

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

8. **Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992**

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