

## Easun Reyrolle Limited

**Code of Conduct for Prevention of Insider Trading  
(Pursuant to Regulation 12(1) of the SEBI  
(Prohibition of Insider Trading) Regulations, 1992  
as amended by Notification dated 19.11.2008**

**Approved by the Board at its meeting held on 29<sup>th</sup> January 2010**

**Code of Conduct for Prevention of Insider Trading to be observed  
by the Directors, Officers and Designated Employees of the Company  
pursuant to Regulations 12(1) and Schedule I of  
SEBI (Prohibition of Insider Trading) Regulations 1992  
as amended by Notification dated 19.11.2008**

**The Model Code of Conduct for Prohibition of Insider Trading prescribed by  
SEBI has been followed without diluting the same in any Manner**

## 1. Preamble:

Insider trading means dealing in securities of a listed Company traded on any Stock Exchange in India by insiders which term includes Directors, Officers and Designated Employees of the Company based on or when in possession of unpublished price sensitive information. The investors' confidence is waned by such dealings by the Insiders. Extensive Insider trading deters investment in the market which in turn has an overall impact on the economy.

The Securities and Exchange Board of India (SEBI), as part of its efforts to protect the interest of investors in general, had issued the SEBI (Insider Trading) Regulations, 1992, which were made applicable to all the listed Companies.

This Code of Conduct aims to define and establish Easun Reyrolle Limited (herein after referred to as "the Company") Policies, Procedures and Rules with respect to

- **Prevention** of Insider trading of securities
- **Maintenance** of confidentiality of Price Sensitive Information; and
- **Adherence** to Securities and Exchange Board of India's (SEBI) applicable guidelines by all Connected or Deemed Connected persons including Director, Officer and Designated Employee for prevention of Insider trading.

## 2. Objective:

The Company is committed to the preserving the confidentiality and preventing the **misuse of any un-published price sensitive information**. The Company is further committed to adherence to all applicable laws and regulations set forth by the Securities and Exchange Board of India (SEBI) or the Stock Exchange with regards to prevention of insider trading. Apart from being illegal, any trading on insider information tarnishes the corporate credibility. Any appearance of impropriety, however inadvertent, on the part of anyone connected or deemed to be connected with the Company could seriously harm the Company's reputation, besides involving penalties and disciplinary actions from the Regulatory Authorities. The Company is committed to ensuring transparency and fairness in dealing with all stakeholders of the Company.

The purpose of this document is to elucidate and inform to all connected or any Deemed Connected persons to the Company that they have a responsibility and duty to preserve the confidentiality of all price sensitive information obtained in the course of his or her day to day operations and association with the Company. No

Connected or Deemed Connected Person may use his or her position of knowledge of the Company to gain personal benefit or to provide benefit to any third party. To achieve these objectives, the Company hereby notifies that this policy be followed by all Connected or Deemed Connected Persons of the Company.

### **3. Definitions:**

Definitions of some of the key terms used in this policy are given below:

- i) “Company” means Easun Reyrolle Limited and its Subsidiary Companies.
- ii) “Insider Trading: means when insiders use unpublished price sensitive information to arrive at securities trading / dealing (including buying as well as selling) decisions, the action is referred to as insider trading.
- iii) “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 the Company or who has received or has had access to such unpublished price sensitive information.
- iv) “Connected Persons” means any person who is:
  - ◆ A Director of the Company
  - ◆ An Officer or Designated Employee of the Company
  - ◆ Has a professional or business relationship with the Company, such that he/she may be reasonably expected to have access to price sensitive information in relation to the Company, which includes but not limited to the Legal Advisors, Solicitors, Auditors, Consultants and Tax Advisors’
- v) “Deemed Connected Persons” means and includes”
  - ◆ Relatives of Connected Persons as defined in Annexure – I.
  - ◆ Any group Company, Company under the same management or subsidiary of the Company
  - ◆ Bankers of the Company
  - ◆ 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.

- ◆ Trustees of any trust the beneficiaries of which include any of the Connected Persons;
  - ◆ 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.
  - ◆ Any person who was a Connected Person, whether temporary or permanent six months prior to an act of insider trading;
  - ◆ Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992.
- vi) “Officer of a Company” means any person as defined in clause (30) of section 2 of the Companies Act, 1956 (1 of 1956) including an auditor of the Company.
- vii) “Designated Employee” shall mean:
- ◆ Officer / Employee comprising the top three tiers of the Company management and include Chief Executive, President, Executive Vice Presidents, Vice Presidents and Business Heads including Executive Secretary or Personal Assistant attached with every such Officer / Employee;
  - ◆ Manager and above in the Finance. Accounts and Company Secretarial departments;
  - ◆ Such employees designated and notified by the Compliance Officer from time to time with the approval of the Chief Executive.
- viii) “Dealing in Securities” means an act of subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent;
- ix) “Price Sensitive Information” shall mean any information which related directly or indirectly to Company ad which if published is likely to materially affect the price of securities of Company.

The following shall be deemed to be price sensitive information:

- ◆ Periodical financial results of the Company;
- ◆ Intended declaration of dividends (both interim and final);

- ◆ Issue of securities or buy-back of securities;
  - ◆ Any major expansion plans or execution of new projects;
  - ◆ Amalgamation, mergers or takeovers;
  - ◆ Disposal of the whole or substantial part of the undertaking;
  - ◆ Any significant changes in policies, plans or operations of the Company.
- x) “Unpublished” means information which is not published by the Company or its agents and is not specific in nature.
- xi) “Compliance Officer” means an officer appointed by the Board for the purpose of monitoring, observing, educating the employees, setting forth the policies and administration of the procedure under the overall supervision of the Chairman of the Company in relation of Compliance with this policy.

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.

#### **4. Policy for Prevention of Insider Trading:**

##### **A. Compliance Officer:**

The Company has appointed the Company Secretary and VP (Corporate Finance) as the Compliance Officer who shall report to the Chairman of the Company on matters relating to prevention of Insider trading as specified in the policy. His duties should include the following:

- He shall be responsible for monitoring implementation of the policy under the overall supervision of the Board
- He shall maintain a record of Designated employees and any changes made to the list of Designated employees;
- He shall assist all the employees in addressing any clarification regarding the “Company’s Policy on Prevention of Insider Trading” and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- He may in consultation with the chairman and Chief Executive specifies prohibited period from time to time and immediately make an announcement thereof;
- He shall maintain a record of prohibited period specified from time to time;

- He shall ensure that prohibited period is intimated to all concerned at least 24 hours before the commencement of the said period;
- He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers and Designated Employees.
- He shall inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent as required under SEBI and Stock Exchange rules;
- He shall place details of the dealing in the securities by Directors / Officers Designated Employees before the Chairman and the Board of Directors.

#### **B. Preservation of “Price Sensitive Information”:**

##### Maintenance of Confidentiality

- All connected and Deemed Connected persons including, Directors, Officers and Designated Employees of the Company shall maintain the confidentiality of all unpublished price sensitive information;
- Such persons shall also not pass on such information to any person directly or indirectly by means such as making a recommendation for the purchase or sale of securities etc.,
- 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 such information to discharge their duties.
- All files, whether electronic or manual, containing confidential information shall be kept secure.
- Files containing confidential information shall be kept secured. Computer files must have adequate security of login and password.

#### **C. Reporting Requirements for Transactions:**

The following disclosure of the shareholding in the Company is required.

##### **(i) Initial Disclosure:**

All Directors, Officers and the Designated Employees of the Company are required to disclose Shares held in the Company (including Shares held by relatives) as on

the date of notification of this Code Of Conduct for Prevention of Insider Trading or at time of joining of Company to the Compliance Officer within one week of notification of this Code of Conduct for Prevention of Insider Trading or joining the Company, whichever is latter.

The list of relatives holding Shares are also required to be filled up. The same should be updated as and when there are any changes and sent to the Compliance Officer.

**The above disclosure needs to be given in Form 1 annexed to this Code.**

**(ii) Quarterly Disclosure:**

All Directors, Officers and the Designated Employees of the Company are required to disclose Shares held in the Company (including Shares held by relatives) as at the last date of each Quarter.

**This disclosure shall be made within 7 days from the end of respective quarter in Form 2 annexed to this Code**

**D. Dealing in Securities – Norms to Buy / Sell securities:**

All persons who are covered either directly or through their relatives shall conduct all their dealings in Securities of the Company only in a valid trading window and not buy / sell Securities of the Company during the closure of the Trading Windows i.e. period during which trading of the Securities of the Company is prohibited.

***In case of ESOPs exercise of options may be allowed when the trading window is closed but the sale of securities allotted on exercise of ESOP shall also not be allowed when trading window is closed***

**(i) The trading windows shall be closed during the following periods:**

- From the date of circulation of Notice for the meeting of the Board of Directors in which Quarterly/ Half Yearly/ Annual Financial Results are to be considered upto 24 hours after the close of the Board Meeting.
- From the date of circulation of Notice for the meeting of the Board of Directors in which any material price sensitive and unpublished event including the following are proposed upto 24 hours after the close of the Board Meeting.
  - a) Issue of Securities by way of public / rights / bonus.

- b) Significant expansion plans or execution of new large projects
- c) Disposal of whole or substantially the whole of the undertaking.
- d) Amalgamation, Mergers or takeovers.
- e) Declaration of Dividend (interim and final).
- f) Any Other Corporate Action, as specified by the Company to be price sensitive.

The Company may from time to time notify changes in the above mentioned periods or any other period of closing of the trading windows.

**(ii) Trading after Prior Approval - (Pre Clearance of Trade):**

Directors, Officers and the Designated Employees who propose to acquire/sell Shares of the Company which are **not less than 10% of their individual holdings or 1,000 equity shares (in number), whichever is higher**, shall make an application to the Compliance Officer stating number of Shares that he/she intends to deal in along with full details of Depository participant and Client ID.

**This application shall be made in Form 3 annexed with this Code.**

An **undertaking** shall also be furnished in Form 3 stating that he/she does not have access to any Price Sensitive Information and has complied with this Code of Conduct for Prevention of Insider Trading as specified by the Company from time to time.

If the Directors, Officers and the Designated Employee obtain any Price Sensitive Information after executing the undertaking but prior to transacting in Securities of the Company, he/she shall inform the Compliance Officer and refrain from dealing in Securities of the Company.

**Time Frame:**

- a) Directors, Officers and the Designated Employees shall execute their order **within one week of pre clearance of trade**. If the transaction is not executed within one week of such clearance, fresh approval of the Compliance Officer is required.
- b) **All Securities must be held for a minimum period of 30 days**. However, for any exception, an application may be made to the Compliance Officer. ***However the requirement of holding of Securities for a minimum period of 30 days shall not apply to Securities allotted on the exercise of ESOPs.***

## **E. Disclosure of Interest or holding by directors and Officers and Substantial Shareholders:**

### **(a) Initial Disclosure**

- (i) Any person who holds more than 5% shares or voting rights in the Company shall disclose to the Company/Compliance Officer, **in Form A, (annexed with this Code)** the number of shares or voting rights held by such person, on becoming such holder, within two working days of:
  - the receipt of intimation of allotment of shares; or
  - the acquisition of shares or voting rights, as the case may be.
- (ii) Any person **who is a Director or Officer of the Company** shall disclose to the Company/Compliance Officer, **In Form B, (annexed with this Code)** the number of shares or voting rights held by such person, **within two working days** of becoming a director or officer of the Company.

### **(b) Continual Disclosures**

- (i) **Any person** who holds more than 5% shares or voting rights in the Company shall disclose to the Company/Compliance Officer, **in Form C, (annexed with this Code)** the number of shares or voting rights held and 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 made under sub-regulation (i) of Regulation (a) or under this sub-regulation; and **such change exceeds 2% of total shareholding or voting rights in the Company.**
- (ii) Any person **who is a director or officer of the Company** shall disclose to the Company/Compliance Officer, **in Form D, (annexed with this Code)** the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings from the last disclosure made under sub-regulation (ii) of Regulation (a) or under this sub-regulation, and the **change exceeds Rupees 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.**

The disclosure mentioned in E (b) (i) and E (b) (ii) above, shall be made **within two working day** 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.

The Company shall **within five days of receipt** of the above said information disclose the said information to all Stock Exchanges on which the Company is listed.

**F. Penalty for Contravention of Code of Conduct:**

- (i) Any Director, Officer, Designated Employees who trades in securities or communicates any Information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.
- (ii) Any Director, Officer, Designated Employees of the Company who violate the code of conduct shall also be subject to disciplinary action by the Company, which may include wage / salary freeze, suspension, ineligible for future participation in employee stock option plans, etc.
- (iii) The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

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

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

**H. General:**

Employees are advised to pursue the Code and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time, carefully and acquaint themselves with all the provisions contained, therein. The Compliance Officer will be available for clarification / assistance that may be necessary.

## **Annexure – I**

**Meaning of ‘relative’** – A person shall be deemed to be a relative of another if –

- a. They are members of a Hindu undivided family; or
- b. They are husband and wife; or
- c. The one is related to the other in the manner indicated below

List of Relatives:

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

**Prevention of Insider Trading****Initial Disclosure****FORM - 1**

**The Secretary and VP (Corporate Finance)  
Easun Reyrolle Limited  
"Temple Tower" VI Floor,  
672, Anna Salai  
Nandanam  
Chennai – 600 035**

**SUB: DECLARATION OF SHAREHOLDING IN THE COMPANY  
AND UNDERTAKING**

Dear Sir,

I, -----, an Employee / Director of-----  
----- (Name of the Company), holds following Shares in the Company/ Group  
Company, listed below, including my relatives\*, as on \_\_\_\_\_.

Name of the Company of which shares are held	Name & Address of the person holding Shares in the Company	Relationship	Number of Shares of the Company held	Particulars of DP ID	Particulars of Client ID
		Self			
		<b>TOTAL</b>			

\* - Particulars of all relatives holding Shares to be provided.

I confirm that:

- i) I and my relatives (We) will not trade in the Shares of the Company whenever we have access to any price sensitive information. Further we shall promptly inform you upon obtaining price sensitive information.
- ii) We shall comply with the code of conduct for insider trading as specified by the Company from time to time.

- iii) We shall not trade in Shares of the Company during closure of Trading Window as specified by the Company from time to time and when we have access to price sensitive information.
- iv) In case the value of proposed transaction in the Shares of the Company exceeds Rs.5.00 Lacs in value or 1,000 Shares of the Company, whichever is lower, I shall obtain prior approval of the Compliance Officer as detailed in Form 3.
- v) I shall not disclose any price sensitive information to any of my relatives or any outsider or any Employee of the Company.

I further confirm that the aforesaid facts are true and correct and shall abide with the Code of Conduct for Prevention of Insider Trading of the Company.

Place:

Signature:

Name:

Designation &  
Department

**Prevention of Insider Trading****Quarterly Disclosure****FORM - 2**

**The Secretary and VP (Corporate Finance)  
Easun Reyrolle Limited  
"Temple Tower" VI Floor,  
672, Anna Salai  
Nandanam  
Chennai – 600 035**

**SUB: DECLARATION OF YEARLY SHAREHOLDING**

Dear Sir,

I, -----, an Employee/ Director of-----  
----- (Name of the Company), holds the following Shares in the Company  
including my relatives\*, as on \_\_\_\_\_.

Name of the Company	Name of the person holding Shares in the Company	Relationship	Number of Shares of the Company held	Particulars of DP ID	Particulars of Client ID
		Self			
		<b>TOTAL</b>			

\* - Particulars of all relatives holding Shares to be provided.

I confirm that the aforesaid facts are true and correct.

Place:

Signature:

Name:

Designation &  
Department

**Prevention of Insider Trading****Pre clearance of trades****FORM - 3**

**The Secretary and VP (Corporate Finance)**  
**Easun Reyrolle Limited**  
**“Temple Tower” VI Floor,**  
**672, Anna Salai**  
**Nandanam**  
**Chennai – 600 035**

**SUB: Application for Trading in Shares of the Company and Undertaking**

Dear Sir,

I, \_\_\_\_\_, an Employee/ Director of \_\_\_\_\_  
 \_\_\_\_\_ (Name of the Company), propose to trade in the Shares of the  
 \_\_\_\_\_ (Name of the Company) as per details hereunder:

Name of person proposing to trade in : \_\_\_\_\_

Shares of the Company and relationship  
 With employee / Director : \_\_\_\_\_

No. of Shares of the Company held by the  
 Person as on date of the application : \_\_\_\_\_

Particulars of proposed transaction in Shares of the Company:

Name of Shares held in the Company (A)	Number of Shares of the Company proposed to be Sold (B)	Number of Shares of the Company proposed to be acquired (C)	Balance holding (A) + (C) / (A) - (B)

Name of Depository : \_\_\_\_\_  
DP ID No. : \_\_\_\_\_  
Client ID No. : \_\_\_\_\_  
Number of Shares of the Company held by  
The Person after this application (if approval  
granted) : \_\_\_\_\_

I confirm that:

- i) I and my relatives (We) do not have access to any price sensitive information and have complied with the code of conduct for prevention of insider trading as specified by the Company from time to time.
- ii) We shall execute the trade of Shares within 7 days of your approval failing which we shall apply again to you for your approval.
- iii) We shall hold Shares of the Company for a minimum period of 30 days from the date of acquisition.

We further confirm that the aforesaid facts are true and correct and shall be fully responsible for any wrongful acts done by me or my relatives including such penalties as may be imposed by the Company.

You are requested to provide the pre-clearance of trade for the above transaction.

Thanking you,

Yours sincerely,

Place:

Signature:

Name:

Designation &:  
Department

**FORM A****Details of acquisition of 5% or more shares in a listed Company**

<i>Name and address of shareholder with telephone number</i>	<i>Shareholding prior to acquisition</i>	<i>No. and percentage of shares / voting rights acquired</i>	<i>Date of receipt of allotment advice. Date of acquisition (specify)</i>	<i>Date of intimation to Company</i>	<i>Mode of acquisition (market purchase / public / rights / preferential offer) etc.</i>	<i>Share-holding subsequent to acquisition.</i>	<i>Trading member through whom the trade was executed with SEBI Registration No of the TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy Value</i>
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**FORM B****Details of shares held by Director or Officer**

<i>Name and address of Director / Officer</i>	<i>Date of assuming office of Director / Officer</i>	<i>No. and percentage of shares / voting rights held at the time of becoming Director / Officer</i>	<i>Date of intimation to Company</i>	<i>Mode of acquisition (market purchase / public / rights / preferential offer) etc.</i>	<i>Trading member through whom the trade was executed with SEBI Registration No of the TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy Value</i>
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**FORM C****Details of change in shareholding in respect of persons holding more than 5% shares**

<i>Name and address of shareholder</i>	<i>Shareholding prior to acquisition /sale</i>	<i>No. and percentage of shares / voting rights acquired / sold</i>	<i>Date of receipt of allotment advice / acquisition of shares / sale of shares (specify)</i>	<i>Date of intimation to Company</i>	<i>Mode of acquisition (market purchase / public / rights / preferential offer) etc.</i>	<i>No. &amp; percentage of shares / voting rights post acquisition / sale</i>	<i>Trading member through whom the trade was executed with SEBI Registrati on No of the TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy Value</i>	<i>Sell quantity</i>	<i>Sell Value</i>

**FORM D****Details of change in shareholding of Director or officer**

<i>Name and address of Director</i>	<i>No. &amp; Percentage of shares / voting rights held by the Director / Officer</i>	<i>Date of receipt of allotment advice / acquisition / sale of shares / voting rights</i>	<i>Date of intimation to Company</i>	<i>Mode of acquisition (market purchase / public / rights / preferential offer) etc.</i>	<i>No. &amp; percentage of shares post acquisition / voting rights / sale</i>	<i>Trading member through whom the trade was executed with SEBI Registrati on No of the TM</i>	<i>Exchange on which the trade was executed</i>	<i>Buy quantity</i>	<i>Buy Value</i>	<i>Sell quantity</i>	<i>Sell Value</i>