



CODE OF CONDUCT FOR PREVENTION OF
INSIDER TRADING

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CHAPTER I

1. Introduction

The objective of this Code is to prevent any misuse of unpublished share-price sensitive information by any employee or Director of the Company, who may have access to such information in his or her official capacity.

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 in its 399th meeting held on 13th December 2012 for implementation with immediate effect.

2. The Policy and Obligations

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 deal with all stakeholders with full transparency and fairness, ensuring adherence to all laws and regulations and achieving highest standards of corporate governance.

Every Director and 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 or any employee may use his or her position or knowledge of the Company to derive any personal benefit for self or any third party.

To achieve these objectives, Advik Industries Limited (AIL) (hereinafter referred to as "the Company") hereby notifies that this code of conduct will be followed by all Directors and employees of the Company.

3. Applicability

This Code shall apply to all Directors and employees of Advik Industries Limited.

4. Definitions

In this Code, unless the context otherwise requires:

- (i) "SEBI Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- (ii) "Regulations" means the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.
- (iii) "the Company" means Advik Industries Limited (AIL).
- (iv) "Code" means this Advik Code of Conduct for Prevention of Insider Trading, as modified from time to time.

- (v) "Dealing in Securities" means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of Advik Industries Limited (AIL) by any person either as principal or agent.
- (vi) "Employees" means any person appointed to Service or post in connection with the affairs of the Company but will not include a labourer / worker in a factory / industrial undertaking under the control of the Company to whom the provisions of Factories Act, 1984 apply except that the Board may by a special resolution decide to apply these rules with such modifications as they may make from time to time.
- (vii) "Dependants" means Spouse, Dependent parents, Dependent Children and any other person dependent on an Employee or a Director of the Company.
- (viii) "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 Advik Industries Limited or
 - (b) has received or has had access to such unpublished price sensitive information.
- (ix) "Price Sensitive Information" means any information that 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:
- (a) Periodical Financial Results of the Company
 - (b) Intended declaration of dividend (both interim and final, if any)
 - (c) Issue of securities or Buy-back of securities (by way of Public/Rights/ Bonus etc.)
 - (d) Any major expansion plans or execution of new projects
 - (e) Amalgamation, mergers or takeovers
 - (f) Disposal of whole or substantial part of the undertaking
 - (g) Any significant changes in policies, plans or operations of the Company;
 - (h) Any proposed joint venture/foreign collaboration in India or abroad;
 - (i) Any major order obtained/cancelled;
 - (j) Any change in title/status/recognition of the company; and
 - (k) Any other matter which the Compliance Officer may decide as such.
- (x) "Trading Window" means trading period for trading in the Company's Securities. All days shall be the trading periods except when trading window is closed.
- (xi) "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.
- (xii) "Working Day" means working day when the regular trading is permitted on concerned stock exchange(s) where securities of the company are listed.

All other words and phrases will have the same meaning as defined under the "SEBI (Prohibition of Insider Trading) Regulations, 1992" as amended from time to time and also under the "Securities and Exchange Board of India Act, 1992."

CHAPTER II

CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

5. Compliance Officer

- 5.1 Any Director authorized by the board shall be the Compliance Officer and report to the Chairman.
- 5.2 The Compliance Officer shall set forth policies & procedures, monitor adherence to the rules for the preservation of Price Sensitive Information, preclear trades by Directors or Employees and their dependents directly or through respective division or branch heads, monitor trades and implementation of the Code.
- 5.3 A record of all Directors, Employees and their dependants shall be maintained in Personnel Division of Advik and changes taking place from time to time shall be incorporated therein.
- 5.4 The Compliance Officer shall assist all the Directors and employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time and the Code.
- 5.5 The Company Secretary shall assist the Compliance Officer in discharging all functions.
- 5.6 The Compliance Officer shall designate the Company Secretary or a Senior Official of the Company to act as Compliance officer in his absence.

6. Preservation of “Price Sensitive Information”

- 6.1 All Directors and employees shall maintain the confidentiality of all price sensitive information. They shall not communicate or counsel or provide directly or indirectly any unpublished price sensitive information to any person directly or indirectly or by way of making recommendations for acquisition/purchase/sale of the securities of the Company;
- 6.2 Any Director or employee shall not acquire/purchase/sell Company's shares either on behalf of himself/herself or others when in possession of unpublished price sensitive information.
- 6.3 Price Sensitive Information shall be handled on a “need-to-know” basis i.e. price sensitive information shall be disclosed only to those within the Company who need the information to discharge their duty and/or functions and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- 6.4 Files containing confidential information shall be kept secure. Related computer files shall be secured through password, etc.

CHAPTER III

TRADING RESTRICTIONS

7. Trading Window

- 7.1 When the trading window is closed, no directors or employees of Advik Industries Limited shall trade in the company's securities. The trading window shall be closed during the time period referred to in para 7.2.

7.2 The Trading Window shall be inter-alia closed:

- (a) Ten days prior to Board meeting for declaration of quarterly and half yearly financial results and fifteen days prior to board meeting in case of annual financial results;
- (b) Ten days prior to Board meeting for declaration of interim dividend and fifteen days prior to Board meeting for declaration of final dividend;
- (c) Ten days prior to Board meeting for issue of securities by way of public/right/bonus etc.
- (d) Ten days prior to the Board Meeting held to approve any major expansion plans or execution of new projects;
- (e) Ten days prior to the Board Meeting held to approve amalgamation, mergers, takeovers and buy-back;
- (f) Ten days prior to the Board Meeting held to approve disposal of whole or substantially whole of the undertaking;
- (g) Ten days prior to the Board Meeting held to approve any significant changes in policies, plans or operations of the company;
- (h) For such period and for any such other event as may be deemed fit by the Compliance Officer;

However, if the circumstances so warrant, the time for closing the window may be increased or decreased by the Compliance Officer with the approval of Chairman & Managing Director.

7.3 The trading window shall be opened 24 hours after information referred to in para 7.2 is made public.

7.4 All Directors and employees 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, as referred to in para 7.2 or during any other period as may be specified by the Company from time to time.

7.5 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.

8. Pre-clearance of trades

8.1 All Directors and employees and their dependants who intend to deal in the securities of the company above Rs.20,000/- of market value should get precleared the transactions as per the pre-dealing procedure as described hereunder.

8.2 An application shall be made in Form 'I' to the Compliance Officer indicating the estimated number of securities that the employee/director 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 employee/ Director incorporating, inter alia the following clauses, as may be applicable:

- (a) That the concerned employee/director/dependant family member does not have access or has not received any price sensitive information up to the time of signing the Undertaking.
- (b) That in case, the employee/director/dependant family member has access to or receives any "Price Sensitive Information" after the signing of this undertaking but before execution of the transaction, he/she shall inform the Compliance Officer of the change in position and that he/she shall refrain from dealing in securities of the company till such information is made public.
- (c) That he/she has not contravened the Company's Code of Conduct for Prevention of Insider Trading as notified by the company from time to time.
- (d) That he/she has made full and true disclosure in his/her application.

8.4 All directors and employees and their dependants shall execute their order in respect of securities of the company within one week after the approval of preclearance 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.

8.5 It shall be the responsibility of the employees/directors to ensure compliance of clause 8.1 to 8.4 above in case of their dependants also.

9. Minimum Period for holding of Securities/Listed Securities

9.1 All Directors and 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/ employees shall also not take positions in derivative transactions in the shares of the company at any time.

9.2 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.

9.3 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 the reasons in this regard.

CHAPTER IV

REPORTING AND DISCLOSURE REQUIREMENTS

10. Reporting Requirements by all Directors and Employees

10.1 All Directors and 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 two days of transaction;
- (c) annual statement of all holdings in securities of the Company.

10.2 The Board Secretariat 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 Chairman & Managing Director/Committee specified by the Company, on a monthly basis, all the details of the dealings in the securities

by employees/directors of the company and their dependents along with the accompanying documents 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/employees and Substantial Shareholders

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

I. Initial Disclosures

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/Employee	Number of shares or voting rights and position taken in derivatives by such person and his dependants.	Within 2 working days of becoming a Director or employee of the company.	B

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/ Employee of the Company	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

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.

CHAPTER IV

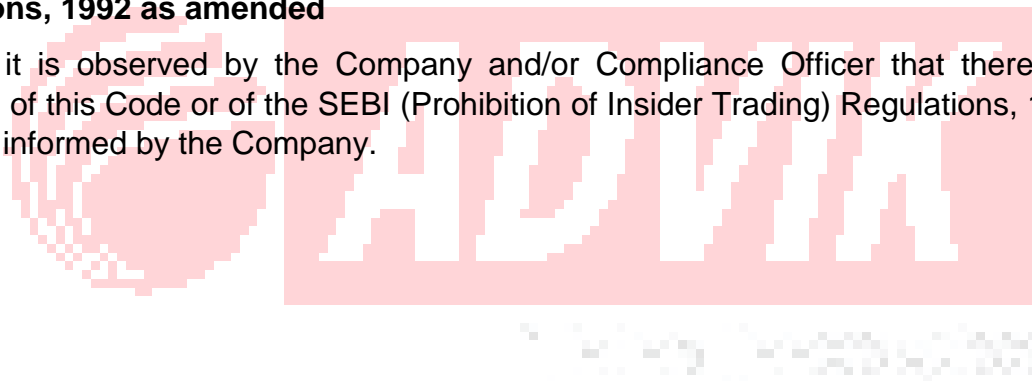
MISCELLANEOUS

12. Penalty for Contravention of the Code

- 12.1 All Directors/employees who trade in securities or communicate any information for trading in securities in contravention of this Code of conduct may be penalized and appropriate action may be taken by the Company.
- 12.2 All Directors/ employees who violate this Code of Conduct 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 Company 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 this Code or of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.



Form I (Refer Clause 8.2 of the Code)

Application for Pre-clearance

(For use by Directors/Employees for dealings in the securities of the Company above Rs.20,000/-of market value)

To,
The Compliance Officer
Advik Industries Limited

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. alongwith the name of depository	Present Holding (No. of Shares)	
Equity Shares						Physical	Demat

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 under taking.
- 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 of Conduct 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:

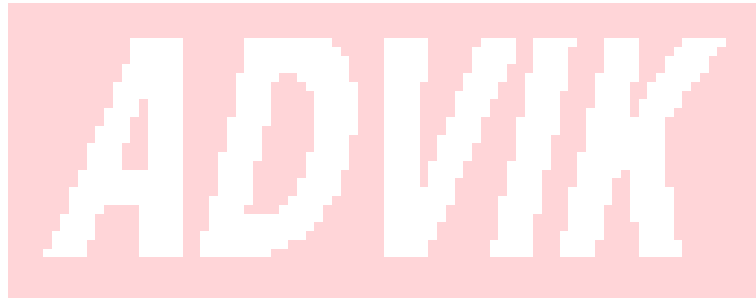
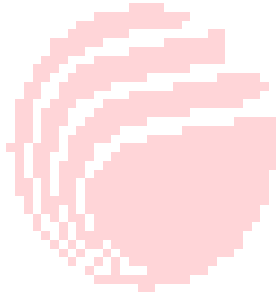
Location:

Date:

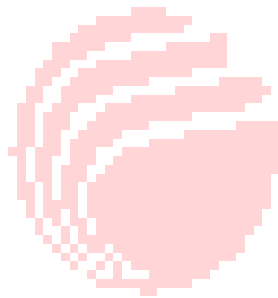
Form 'D'- Continual Disclosure (Refer Clause 11.1 of the Code)

II. DETAILS OF CHANGE IN SHAREHOLDING BY DIRECTOR OR EMPLOYEE AND HIS DEPENDANTS

Name, PAN No. and Address of Director/ Employee	No. and % of shares/ voting rights by the Director/ Employee	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.)	No. & % of shares/ post Acquisitions/ voting rights sale	Trading Member Through Whom trade was executed with SEBI Regn. No. of TM	Exchange on which the trade was executed	Buy Qty.	Buy Value	Sell qty.	Sell value



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