

Code of Fair Disclosures and Code of Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015

(As approved by the board of Directors of the company at its meetings held on 20/04/2015)

Applicable to the Directors / Officers / Designated Employees and Connected Person of M/s Shakti Pumps (India) Limited

This code may be called as Code of **Fair Disclosures and code of conduct** of M/s **Shakti Pumps (India) Limited** for prevention of Insider Trading. This Code can be modified / amended / altered by Directors / Compliance Officer authorized by the Board. But in case of any statutory modification or amendment or alteration of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015, the newly modified/amended/altered provisions of the Regulation shall be placed before the Board of Directors of the Company for noting and the amended code shall be deemed to be implemented effective from the date of approval of the same by the Board.

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which term includes Directors, Officers and Designated Employees of the Company based on or when in possession of unpublished price - sensitive information (**UPSI**).

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 (Prohibition of Insider Trading) Regulations, 2015, under the powers conferred on it by the SEBI Act, 1992, which is made applicable to all the listed companies. The Regulations prohibits insider trading.

2. APPLICABILITY

This code shall be applicable to all the Directors, Officers, and Designated Employees and their relatives of the Company.

3. DEFINITIONS

(a) **Act** - means the Securities & Exchange Board of India Act, 1992;

(b) **Board of Director** means the Board of Directors of **M/S Shakti Pumps (India) Limited**;

(c) **Body Corporate** means a body corporate as defined under Sub -Section 11 of Section 2 of the Companies Act, 2013.

(d) **The Company** means **M/s Shakti Pumps (India) Limited**

- (e) **Compliance Officer** The Officer appointed by the Board of Directors of the Company for the purpose of these regulations from time to time.
- (f) **“Code”** means this Code of Fair Disclosure and code of Conduct for Prevention of Insider Trading including modifications made thereto from time-to-time.
- (g) **“Trading”** means and includes subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities and “trade” shall be construed accordingly.
- (h) **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;.
- (i) **“Designated Employees”** shall mean and include –Top three tier of the Company Management, namely:-
- i. Chief Executive Officer (CEO), Chief Financial Officer (CFO)
 - ii. General Manager and above of all the departments of the Company
 - iii. Manager and all Employees of Finance & Accounts and Secretarial.
- (j) **“Officer”** shall mean and include –
- i. Statutory and Internal Auditor and Secretarial Auditor of the Company.
 - ii. Person occupying the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company.
 - iii. Any other person as decided by the Board of Directors of the Company.
- (k) **“Director”** means Directors on the Board of the Company both Executive and Non-Executive.
- (l) **“Insider”** means any person who, i. 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 the company, or
- ii. has received or has had access to such unpublished price sensitive information.

(m) "**unpublished price sensitive information**" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

(iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;

(v) changes in key managerial personnel; and

(vi) material events in accordance with the listing agreement.

(n) "**Regulation**" means Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015 as amended from time to time.

(m) "**Securities**" shall mean the Equity Shares of the Company and such other securities of the Company issued from time to time as may be specified by the Board or the Managing Director or the CEO as the case may be of the Company.

(o) "**Trading Window**" means the period during which the Directors, Officers and Designated Employees of Company may trade in the Company's securities.

(p) "**trading day**" means a day on which the recognized stock exchanges are open for trading;

(q) "**connected person**" means,- As define in SEBI (Insider Trading)Regulation, 2015.

(r) "**immediate relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

4. CODE

I. Compliance Officer

1.1 The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Board of Directors.

1.2 The Compliance Officer shall be responsible for setting policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, pre-clearing trades of Directors, Officers, Designated Employees’ and connected persons (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board.

1.3 The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

1.4 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, 2015 as amended from time to time and the company’s code of conduct.

2. Preservation of Price -Sensitive Information.

2.1 Directors, Officers, Designated Employees and Connected Persons shall maintain the confidentiality of all Price Sensitive Information. Directors, Officers and Designated Employees and Connected 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.

2.2 Price Sensitive Information is to be handled on a “**need to know**” basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty.

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

2.4 Preservation of misuse of “Price Sensitive Information”.

2.5 All Directors, Officers and Designated Employees of the company and Connected Persons shall be subject to **trading restrictions** as enumerated below.

i. When the trading window is closed, the Directors, Officers, Designated Employees and Connected Persons shall not trade in the company's securities in such period.

ii. The trading window shall be, inter alia closed at the time:-

a. Declaration of financial results (quarterly, half-yearly and annually).

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.

h. And any other matter which is likely to be price sensitive.

iii. Closure of trading window shall commence 7 days before the date of meetings of Board of Directors of the Company are held to consider any of the items referred hereinabove, unless decided otherwise by the board.

iv. The trading window shall be re-opened 48 hours after the information referred hereinabove, is made public

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v. All directors/officers/designated employees of the company and Connected Persons shall conduct all their dealings in the securities of the Company only during trading window is open.

2.6 All Directors, Officers and Designated Employees shall not engage in dealing in securities, whether on their own account or on behalf of the Dependent and shall ensure that their Dependent shall also not engage in Dealing in Securities on their own account, if such Director, Officer or Designated Employees is in possession of any unpublished price sensitive information.

3. Trading Plan

3.1 An insider shall formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

3.2 Insider shall submit trading plan before six months from commencement of trading.

3.3 Insider shall not enter into the transaction between the 20th (Twentieth) Trading days prior to the last day of any financial period for which results are required to be announced by the Company of the securities and the second trading day after the disclosure of such financial results.

3.4 If another trading plan is already in existence no other plan shall not be accepted covering the same time period .

3.5 Insider in his trading plan shall set out number of Securities and value to be traded along with the nature of the trade and time gap between the trade and dates on which such trade shall be effected.

3.6 Compliance officer shall review the trading plan, approve and monitor the implementation of the plan.

3.7 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

3.8 The Insider shall not execute the aforesaid trading plan if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event Insider shall execute trading plan when such information shall become public.

3.9 After approval the trading plan Compliance Officer shall inform the BSE & NSE about the approved trading plan and the same will be broadcast on Company's website.

3.10 Insider shall submit trading plan in "Annexure – 1" or any other format specified by SEBI or BSE or NSE.

4. Pre-clearance of trades

4.1 All Directors, Officers, Designated employees of the Company and Connected Persons who intend to deal in the securities of the Company should pre-clear the transaction as per the pre-dealing procedure as described here-under:

4.2 An application may be made in prescribed format (Annexure 2) to the Compliance Officer indicating the estimated number of shares and amount that the Insider intends to deal in, the depository with which he/she has an account and the details as to his/her shareholding before and after the intended transaction.

4.3 An undertaking (Annexure 3) shall be executed in favour of the company by such directors, officers, designated employees incorporating, inter alia, the following clauses, as may be applicable:

- a) That the directors, officers, designated employees does not have any access or has not received “Price Sensitive Information” upto the time of signing the undertaking.
- b) That in case the 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/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 of conduct for prevention of insider trading as notified by the Company from time to time.
- d) That he/she has made a full and true disclosure in the matter.

5. Other restrictions

5.1 All directors, officers, designated employees their dependents and Connected Persons shall execute their order in respect of securities of the company within seven trading days after the approval of pre-clearance is given. If the order is not executed within seven trading days after the approval is given, the directors, officers, designated employees must pre-clear the transaction again.

5.2 All directors/ officers/ designated employees who buy or sell and 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 persons shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

5.3 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 his/ her reasons in this regard.

6. Reporting requirements for transactions in securities

Initial Disclosures

6.1 Every promoter, key managerial personnel and director of every company whose securities are listed on any recognized stock exchange shall disclose his holding of Securities of the company as on the date of these CODE taking effect, to the Company within thirty days of these CODE taking effect;

6.2 Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter to the company / Compliance Officer.

Continual Disclosures

6.3 Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of **within two trading days** of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over **any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Ten Lakh Rupees)** or such other value as may be specified by SEBI time to time.

6.4 Compliance Officer of the company shall notify the particulars of such trading to the stock exchange on which the securities are listed **within two trading days of receipt** of the disclosure or from becoming aware of such information.

Disclosures by other connected persons.

6.5 Disclosures shall be made as per the SEBI (Insider Trading) Regulation, 2015.

6.6 Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors, officers, designated employees for a minimum period of **three years**.

6.7 The Compliance Officer shall place before the Managing Director or Chief Executive Officer or Chief Financial Officer or a committee specified by the company, on a **monthly basis** all the details of the dealing in the securities by Director, Officer, Designated Employees of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

The compliance officer shall report to the board of directors and in particular, shall provide reports to the **Chairman of the Audit Committee**, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors

7. Penalty for contravention of code of conduct

7.1 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.

7.2 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.

7.3 The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

8. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015

In case it is observed by the company / Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 SEBI shall be informed by the company.

(Annexure-1)

Trading Plan

(Under Code of Conduct of the Company read with SEBI Insider Trading regulation, 2015)

To,
The Compliance Officer
M/s Shakti Pumps (India) Limited
Plot No.401,402,413 Sector III
Industrial Area, Pithampur
Dist. Dhar(M.P.)

Dear Sir /Madam

Ref: DP's name:
DP ID:
CLIENT ID:

Name of insider:

Address:

Your approval is solicited for proposed Trading Plan **for** purchase & sale of securities of the Company in physical/demat form. I am furnishing details of trade to be made **in six month after approval** of the proposed trading plan:-

<i>Sl. No.</i>	<i>Nature of Trade</i>	<i>Number of Securities to be trade</i>	<i>Amount in Rs.</i>	<i>Time intervals between Two Trades</i>	<i>Date of propose trade</i>

1.I, confirm that I do not have any access to the unpublished price sensitive information and also have not received unpublished price sensitive information till today;

2. that in case I, have access to the price sensitive information or receives it after approving the trading plan I shall inform the change and refrain from dealing in securities till the information becomes public;

3. that I have not contravened the code of conduct for prevention of insider trading as notified by the Company.

4. that whatever is stated above is true and correct to the best of knowledge and nothing has been concealed.

Yours truly,

Signature

Name

Designation

Employee Code no.

Approval of Trading Plan

1. I, ...R.Shadananan..Compliance Officer of the Company, have reviewed the Trading Plan submitted by the Insider of the Company and Insider has furnished all the information/undertaking which I have demanded.
2. The aforesaid plan is not violating any code of conduct and SEBI (Insider Trading) Regulation, 2015.
3. I shall monitor the implement of the Plan as per the SEBI (Insider Trading) Regulation, 2015.

For Shakti Pumps (India) Limited

Compliance Officer

(Annexure-2)

Application for pre-clearance of trade

(Under Code of Conduct of the Company read with Insider Trading regulation, 2013)

To,
To,
The Compliance Officer
M/s Shakti Pumps (India) Limited
Plot No.401,402,413 Sector III
Industrial Area, Pithampur
Dist. Dhar(M.P.)

Dear Sir /Madam

Ref: DP's name:
DP ID:
CLIENT ID:
Name of insider:
Address:

Your approval is solicited for purchase/sale of _____ securities of the Company in physical / demats form. I state on solemn affirmation:

1. that I am Director/Officer/Designated Employee of the Company who may reasonably be expected to have an access to unpublished price sensitive information in relation to the Company;
2. that I intend to purchase/sale_____ (state No. of securities or Amount) securities of the Company in physical/demat form immediately on receipt of clearance for trade;
3. that I am aware of the code of conduct for Prohibition of Insider Trading (PIT) and that the provisions are applicable to me.
4. that I do not have access to the unpublished price sensitive information and also have not received unpublished price sensitive information till today;

5. that in case I have access to the price sensitive information or receives it after signing this undertaking, I shall inform the change and refrain from dealing in securities till the information becomes public;

7. I will hold/not repurchase such equity shares/listed securities for a minimum period of thirty days from the date of purchase/sale.

8. In case of non-execution of transaction by me within 7 trading days from the date of permission for purchase/sale, I will again take the clearance for the same.

9. that whatever is stated above is true and correct to the best of knowledge and nothing has been concealed.

Yours truly

Signature

Name

Designation

Employee Code no.

(Annexure-3)

UNDERTAKING

I _____ aged about _____ years, Son of _____ working in the capacity of _____ in Limited (hereinafter referred to as 'Company') do hereby solemnly declare and undertake as under:

1. that I am working with the company with effect from _____.
2. that as on date I do not possess/own any shares of the company or I have purchased _____ nos. of shares of the Company from open market. (strike out which is not applicable).
- 3. that I do not possess/own any shares of the company with the name of Immediate Relatives or I have purchased _____ nos. of shares of the Company from open market with the name of Immediate Relatives.**
4. that I have received and read the Company's code of conduct and agree to comply with the Company's code of conduct and ethics from time to time.
5. that I do not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
6. In the event that I have access to or receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction for which approval is sought, I shall inform the compliance officer of the Company of the change in my position and that I would completely refrain from dealing in the securities of the company till the time such information becomes public.
7. that I shall not communicate, counsel or procure directly and indirectly any unpublished Price Sensitive Information (PSI) as mentioned in Company's code of conduct to any person who while in possession of such unpublished PSI & shall keep the confidential information which is in my possession secured.
8. that I shall provide Initial disclosure about shareholding in the requisite form to the compliance officer of the Company.
9. that I shall undertake to seek pre-clearance of the compliance officer for any securities transaction and shall make an application, submit required forms duly filled and signed.

10. that I shall give annual statement of shareholding in Company's securities by 30th April of every year along with my dependent.

11. that I have not contravened the code of conduct for prevention of insider trading as notified by the Company and shall be fully liable in any event of contravention/noncompliance of the same.

12. That I have made a full and true disclosure in the matter.

Signature:

Date:

Name:

Place: