



## **DIVYASHAKTI GRANITES LIMITED**

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## **INSIDER TRADING POLICY**

## DIVYASHAKTI GRANITES LIMITED

### Insider Trading Policy

#### 1. BACKGROUND

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 issued on January 15, 2015, the Board of Directors of the Company in its meeting held on 30<sup>th</sup> July, 2016 approved and have taken a note of the same the “Divyashakti Granites Limited - Code of Internal Procedures and Conduct for Regulating and Reporting of Trading by Insiders.”

This code supersedes the Company’s existing Code of Conduct for prohibition of Insider trading.

#### 2. OBJECTIVE

The objective of this Code is to serve as a guiding charter for all concerned persons associated with the functioning of the company and their dealings in its securities. Further, the Code also seeks to ensure timely and adequate disclosures of Price Sensitive Information to the investor community / other relevant stakeholders, by the company to enable them to take informed decisions with regard to the Company’s securities.

#### 3. DEFINITIONS

3.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.

3.2 “**Board**” means the Board of Directors of the Company and includes a committee thereof.

3.3 “**Compliance Officer**” means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance or the Company Secretary for the purpose of administration of the insider trading policy.

3.4 “**Connected Person**”

Includes

- i. A director of the Company;
- ii. A Key Managerial Personnel of the Company;

- iii. An Officer of the Company;
- iv. Any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access

2. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,

- a) an immediate relative of connected persons specified in Clause 3.4; or
- b) a holding company or associate company or subsidiary company; or
- c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- d) an investment company, trustee company, asset management company or an employee or director thereof; or
- e) an official of a stock exchange or of clearing house or corporation; or
- f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- i) a banker of the Company; or
- j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

3.5 "**Generally available Information**" means information that is accessible to the public on a non-discriminatory basis. Information published on the website of the

company and the stock exchange, would ordinarily be considered generally available.

3.6 "**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.

3.7 "**Insider**" means any person who,

- i) a connected person; or
- ii) In possession of or having access to unpublished price sensitive information

3.8 "**Promoter**" shall have the meaning assigned to it under Section 2(69) of the companies Act, 2013.

3.9 "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

3.10 "**Specified**" means specified by the board in writing

3.11 "**Takeover regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

3.12 "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly

3.13 "**Trading Day**" means a day on which the recognized stock exchange is open for trading;

3.14 "**Unpublished Price Sensitive Information**" means any information, relating to the 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, delisting's, 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

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

#### **4. RESTRICTION ON COMMUNICATION AND TRADING**

##### **Prohibition on communicating or procuring UPSI**

4.1 No Insider shall communicate, provide or allow access to any Unpublished Price Sensitive Information ("UPSI"), relating to the Company and its or Securities whether listed or proposed to be listed to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.2 No Specified Persons shall procure from or cause the communication by any insider of UPSI, relating to the Company and its or Securities whether listed or proposed to be listed except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.3 Notwithstanding anything contained in the regulations UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- Entail an obligation to make an open offer under the takeover regulations where the Board is of informed opinion that the proposed transaction is in the best interests of the Company; or
- not attract the obligation to make an open offer under the takeover regulations but where the Board is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board may determine.

However, the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purposes mentioned under Clause 4.3, and shall not otherwise trade in securities of the Company when in possession of UPSI.

4.4 For purpose of sub-regulation (4.3), the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-regulation (4.3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

#### 4.5 Trading When in Possession of UPSI

4.5.1 No Specified Person shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI:

Provided that the Specified Person may prove his innocence by demonstrating the circumstances including the following: -

- (i) the transaction is an off-market inter-se transfer between promoters who were in possession of the same UPSI without being in breach of Clause 6 and both parties had made a conscious and informed trade decision;
- (ii) in the case of non-individual Specified Persons: -
  - a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and
  - b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- (iii) the trades were pursuant to a trading plan set up in accordance with Clause 9.

4.5.2 In the case of connected persons the onus of establishing, that they were not in possession of UPSI, shall be on such connected persons and in other cases, the onus would be on the Board.

4.5.3 SEBI may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of the regulations.

## 5. TRADING PLANS

5.1 A Designated Person shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations (a "Trading Plan") and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out in his behalf in accordance with such plan.

5.2 Trading Plan shall:

- i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii) not entail trading for the period between the Seventh trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- iii) entail trading for a period of not less than twelve months;
- iv) not entail overlap of any period for which another trading plan is already in existence;
- v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi) not entail trading in securities for market abuse.

5.3 The Compliance Officer shall review and approve the Trading Plan if it complies with the SEBI Regulations and shall disclose the Trading Plan to the stock exchanges.

5.4 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.

5.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## 6. TRADING WINDOW

6.1 Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for trading in the Securities of the Company. All Designated Persons shall strictly conduct all their trading's in Securities of the Company only when the Trading Window is open and no Designated Person shall trade in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time-to-time.

6.2 Unless otherwise specified by the Compliance Officer, the Trading Window for trading in Securities of the Company shall be closed for the purposes-

- i) financial results;
- ii) dividends;
- iii) change in capital structure;
- iv) mergers, de-mergers, acquisitions, delisting's, 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

6.3 In respect of announcement of financial results, the Trading Window shall remain closed for a period of 7 days prior to the respective dates on which the quarterly, half-yearly or annual standalone/consolidated financial results, as the case may be, are announced.

As regards declaration of interim dividend and other matters referred to in (iii) to (vi) above, the Compliance Officer shall determine the period for closure of the window.

The Trading Window shall be opened 48 hours after the information referred to above is made public

6.4 The Designated Employees who participate in the Company's Employee Stock Option Plan (ESOP), if any:-

- Shall not sell the Securities of the Company allotted to them on exercise of ESOPs when the Trading Window is closed (however, the exercise of option shall be permitted when the Trading Window is closed).

## 7. PRE-CLEARANCE

7.1 Pre-clearance of trades



i) Applicability:

Designated Person shall obtain a pre-clearance as per the procedure prescribed hereunder for any trading in any securities of the Company proposed to be undertaken by such Designated Person. Such pre-clearance would be required when the value of securities traded whether in one transaction or a series of transactions over a calendar year aggregates to a traded value in excess of Rs. 10 Lakhs.

ii) Pre-Clearance Procedure

- a) For the purpose of obtaining a pre-clearance, the concerned Designated Person shall make an application to the Compliance Officer. Such application should be complete and correct in all respects and should be accompanied by such undertakings, declarations, indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for pre-clearance approval with enclosures must necessarily be sent through electronic mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to the e-mail address info@divyashakti.com.
- b) The Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same working day but not later than the next working day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection would be conveyed through electronic mail and if no such approval/intimation of rejection is received within a period of 2 (two) working days, the applicant can presume that the approval is deemed to be given.
- c) The approval letter shall be issued by the Company as may be prescribed from time-to-time. Every approval shall be dated and shall be valid for a period of 7 trading days from the date of approval.
- d) In the absence of the Compliance Officer due to leave etc., the Officer designated by him/her from time-to-time shall discharge the function referred to in (b) above.
- e) Designated Person shall ensure that they complete execution of every pre-cleared deal in the Company's Securities as prescribed above and not later than 9 (Nine) days from date of approval. The Designated Person shall file within 2 working days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed

form. In case the transaction is not undertaken, a report to that effect shall be filed.

- f) If a deal is not executed by the Designated Person pursuant to the approval granted by the Compliance Officer within 9 (Nine) days, the approval so granted shall be deemed to have been revoked and the Designated Person shall apply once again to the Compliance Officer for pre clearance of the transaction covered under the said approval.

#### 7.2 Other restrictions:

All Designated Persons who buy or sell securities of the company shall not enter into an opposite transaction (contra trade) i.e. sell or buy securities during the six months period post the previous buy/sell.

In case the sale of Securities of the Company is necessitated due to personal reasons or emergency situations, the holding period referred to above may be waived by the Compliance Officer after recording the reasons in this regard. It may however, be noted that in terms of the Regulations, no such sale will be permitted when the Trading Window is closed.

In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

## **8. DISCLOSURE OF TRADING BY INSIDERS**

### **8.1 General Provisions**

- I. Every public disclosure under this Clause shall be made in such form as may be specified by SEBI from time to time.
- II. The disclosures to be made by any person shall include those relating to trading by such person, immediate relatives, and by any other person for whom such person takes trading decisions.
- III. The disclosures of trading in securities shall also include trading in derivatives of Securities and the traded value of the Derivatives shall be taken into account for the purposes of arriving at the value of trade, subject to trading of such Derivatives is permitted by any law for the time being in force.

## 8.2 Initial Disclosure

- i) Every promoter, Key Managerial Personnel and Director of the Company, shall disclose his/her holding of securities in the Company as on the date these regulations taking effect, to the company within 30 days from the date these regulations taking effect.

The disclosure is to be made in the Format as per **Annexure - I**.

- ii) 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 7 days of such appointment or becoming a promoter.

The disclosure is to be made in the Format as per **Annexure - II**.

## 8.3 Continual Disclosure

Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed off within 2 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/- (Rupees Ten Lakhs Only).

The disclosure is to be made in the Format as per **Annexure - III**.

8.3.1 The disclosures made under 7 and 8 shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.

8.3.2 The Compliance Officer shall within 2 (Two) trading days of receipt of intimation under Clause 14 or from becoming aware of such information disclose to all Stock Exchange on which the Company is listed, the information received.

## 8.4 Disclosure by other connected person

The below mentioned persons shall make continual disclosures as required in Clause 14 above.

- i) Directors and Key Managerial Personnel of Material Subsidiaries and their immediate relatives.

- ii) Functional Heads of the Company and its Material Subsidiaries and their immediate relatives.
- iii) Executive Secretary/Assistant of Key Managerial Personnel of the Company and its Material Subsidiaries and their immediate relatives.
- iv) Managers in Corporate Finance, Corporate Accounts, Taxation, Secretarial Departments of the Company and their immediate relatives
- v) Advisers, Auditors, Tax and Management Consultants, Whole-time Legal Advisors etc. who is connected in any of such capacities with the Company at any time during the past six months.

The disclosure is to be made in the Format as per **Annexure - IV**.

## **9. CODES OF FAIR DISCLOSURE AND CONDUCT**

### **9.1 Code of Fair Disclosure**

- i) The board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles, without diluting the provisions of these regulations in any manner.
- ii) Every such code of practices and procedures for fair disclosure of unpublished price sensitive information and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed.

### **9.2 Code of Conduct**

- i) The board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards, without diluting the provisions of these regulations in any manner.
- ii) Every other person who is required to handle unpublished price sensitive information in the course of business operations shall formulate a code of conduct to regulate, monitor and report trading by employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards, without diluting the provisions of these regulations in any manner.

- iii) Every listed company, market intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.

## **10. MISCELLANEOUS**

### **10.1 Penalty for contravention**

- I. Every Designated Person shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her immediate relatives).
- II. The Designated Persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action including the termination of employment.
- III. Action taken by the Company for violation of the Regulations and the Code against any Designated Person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/ regulations.

### **10.2 Reporting**

The Compliance Officer will submit a report to the Chairman of Audit Committee, instances of violation of the Code or the Regulation by any person and on the disclosures, Trading Plans and pre- clearances approved and rejected on the basis of information furnished at a frequency as may be stipulated by the Board.

### **10.3 Amendment**

The Board of the Company reserves its right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the concerned unless the same is notified in writing.

## **11. ANNEXURES**

**Annexure - I**  
**FORM A**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,  
2015**

**[Regulation 7 (1) (a) read with Regulation 6 (2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director  
and other such persons as mentioned in Regulation 6(2)**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7		

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Date:

Place:

Signature: \_\_\_\_\_

Name & Designation:

**Annexure - II**  
**FORM B**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,  
2015**

**[Regulation 7 (1) (b) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc.)	Date of appointment of Director /KMP or Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Share holding	Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP	
			Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8		

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Date:

Place:

Signature: \_\_\_\_\_

Name & Designation

**Annexure - III**  
**FORM C**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (2) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2)**

Name, PAN No., CIN/DIN, & address of Promoter / Employee / Director With contact nos.	Category of Person (Promoters / KMP / Directors/ immediate relatives/ others Etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/ preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc.)	Exchange on which the trade was executed
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To				

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI Prohibition of Insider Trading) Regulations, 2015.

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Signature: \_\_\_\_\_

Name & Designation



**Annexure - IV**

**Form D (Indicative format)**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

**Regulation 7(3) - Transactions by Other connected persons as identified by the company**

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director With contact nos.	Connection with the company	Securities held prior to acquisition/ disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/ preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc.)	Exchange on which the trade was executed
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To				
		Value	Number of units (contract size) * lot size	Value	Number of units (contract size) * lot size								

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Date:

Place:

Signature: \_\_\_\_\_

Name & Designation