



Precot Meridian Limited

Code of Conduct for Prevention of Insider Trading

1. Introduction

In terms of SEBI (Prohibition of Insider Trading) regulations, 2015, the Board of Directors (the "board") of Precot Meridian Limited (the "company"), has adopted the following policy to regulate, monitor and report the trading by insiders of the company. The board may review and amend this policy from time to time.

This policy is intended to impose restrictions on trading in securities while in possession of unpublished price sensitive information (UPSI), including prohibition on procurement of UPSI and give an option to persons who may be perpetually in possession of UPSI and enable them to trade in securities in a compliant manner.

2. Definitions

"Act" means the Securities and Exchange Board of India Act, 1992.

"Board" means the board of directors of the company.

"Code" or **"Code of Conduct"** shall mean the code of conduct for prevention of insider trading of Precot Meridian Limited as amended from time to time.

"Company" means Precot Meridian Limited.

"Compliance Officer" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the board and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of the company.

"Connected Person" means:

- (i) 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 UPSI or is reasonably expected to allow such access.
- (ii) 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 (i); 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.

“Designated Employee(s)” shall include:

- (i) every employee in the grade of M3 and above,
- (ii) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the compliance officer, and
- (iii) any other employee as may be determined and informed by the compliance officer from time to time.

“Insider” means any person who is:

- (i) a connected person, or
- (ii) in possession of or having access to unpublished price sensitive information.

“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;

“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.

“**Specified Persons**” means the directors, connected persons, the insiders, the designated employees and the promoters and immediate relatives are collectively referred to as specified persons.

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), SEBI (Prohibition of Insider Trading) regulations, 2015 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.

3. Role of Compliance Officer

The compliance officer shall report on insider trading to the board of directors of the company and in particular, shall provide reports to the chairman of the audit committee, if any, or to the chairman of the board at such frequency as may be stipulated by the board.

The compliance officer shall assist all employees in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the company's code of conduct.

4. Preservation of Price Sensitive Information

All information shall be handled within the company on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the



board of the company is of informed opinion that the proposed transaction is in the best interests of the company, or

- not attracting the obligation to make an open offer under the takeover regulations but where the board of the company 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 limited purpose and shall not otherwise trade in securities of the company when in possession of UPSI.

Need to Know:

- a) "need to know" basis means that UPSI should be disclosed only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

5. Prevention of misuse of "Unpublished Price Sensitive Information"

Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the company shall be governed by an internal code of conduct governing dealing in securities.

Trading plan

An insider shall be entitled to formulate a trading plan for dealing in securities of the company 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.

Trading plan shall:

- a) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan,
- b) not entail trading for the period between the twentieth 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,
- c) entail trading for a period of not less than twelve months,
- d) not entail overlap of any period for which another trading plan is already in existence,

- e) 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
- f) not entail trading in securities for market abuse.

The compliance officer shall consider the trading plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the regulations.

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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the company, if the date of trading in securities of the company, as per the approved trading plan, coincides with the date of closure of trading window announced by the compliance officer.

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 and Window Closure

- i) The trading window will remain closed for seven trading days prior to the date of publication of the unpublished price sensitive information and will open after second trading day of the publication of the price sensitive information; the specified persons shall not trade in the company's securities in such period.
- ii) All specified persons 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 the trading window is closed or during any other period as may be specified by the company from time to time.
- iii) The compliance officer shall intimate the closure of trading window to all the designated employees of the company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

7. Pre-clearance of trades

- i) All specified persons, who intend to deal in the securities of the company when the trading window is opened and if the value of the proposed trades is above 50,000 shares or up to Rs. 10 lacs (market value) or 1% of total shareholding, whichever is less, should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of UPSI even if the trading window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:
 - a) An application may be made in Form E to the compliance officer indicating the estimated number of securities that the specified employee 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.
 - b) An undertaking shall be executed in favour of the Company by such specified employee incorporating, *inter alia*, the following clauses, as may be applicable:
 - That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
 - That in case the specified employee 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.
 - That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
 - That he/she has made a full and true disclosure in the matter.
- ii) All specified persons shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. The specified person shall file within 2 (two) 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.
- iii) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.
- iv) All specified persons 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 specified persons shall also not take positions in derivative transactions in the shares of

the company at any time. 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. Reporting Requirements for transactions in securities

i. Initial Disclosure

Every promoter/ key managerial personnel /director /officers /designated employees of the company, within thirty days of these regulations taking effect, shall forward to the company the details of all holdings in securities of the company presently held by them including the statement of holdings of dependent family members in Form A.

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 in Form B.

ii. Continual Disclosure

Every promoter, employee and director of the 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. ten lakhs.

The disclosure shall be made in Form C within 2 working days of:

- a) the receipt of intimation of allotment of shares, or
- b) the acquisition or sale of shares or voting rights, as the case may be.

iii. All designated persons of the company shall be required to report their own and their immediate relatives level of holdings in securities as on 31st March every year to the compliance officer in Form D, on or before 15th April, every year.

iv. The designated person, who has got the approval through pre-clearance for the trade, shall report in Form F, within 2 days from the execution of trade to the Compliance officer

9. Disclosure by the company to the stock exchange

Within 2 days of the receipt of intimation under Clause 8, the compliance officer shall disclose to the stock exchange on which the company is listed, the information received.

The 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 five years.

10. Penalty for contravention of the code of conduct

- i. Every specified person shall be individually responsible for complying with the provisions of the code (including to the extent the provisions hereof are applicable to his/her dependents).
- ii. Any specified person who trades in securities or communicates any information for trading in securities, in contravention of this code may be penalised and appropriate action may be taken by the company.
- iii. Specified Persons who violate the code shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- iv. 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.

11. Code of Fair Disclosure

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

- i. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- ii. Uniform and universal dissemination of UPSI to avoid selective disclosure.
- iii. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- iv. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- v. Ensuring that information shared with analysts and research personnel is not UPSI.
- vi. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- vii. Handling of all UPSI on a need-to-know basis.

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: Precot Meridian Limited

ISIN of the company: INE283A01014

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

Name, PAN, 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 (contract * 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.

Signature:

Designation:

Date:

Place:

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: Precot Meridian Limited

ISIN of the company: INE283A01014

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, CIN/ DIN & Addresses 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, Convertibl	No.		Number of units (contracts* lot size)	Notional value in Rupee	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.

Signature:

Designation:

Date:

Place:

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: Precot Meridian Limited

ISIN of the company: INE283A01014

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, CIN/ DIN, & address of Promoter /Employee /Director with contact nos.	Category of Person (Promoters/ KMP/ Directors /immediate relative /others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/ Disposed		%of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares		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			Buy		Sell			
												Value	No of units (contracts *lot size)	Value	No. of units (contracts *lot size)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	

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

Signature:

Designation:

Date:

Place:

Form D

ANNUAL STATEMENT OF HOLDINGS IN SECURITIES FOR THE PERIOD
(From 1st April _____ To 31st March _____)

To
The Compliance Officer
Precot Meridian Limited,
No. 737, Green Fields,
Puliakulam Road,
Coimbatore 641045

Sl No	Name	Relationship	Client ID/ Folio No	No & Value of Shares held on -----	No & Value of shares purchase d during the period	No & Value of shares sold during the period	No & Value of shares at the end of the period
1		Designated Person - Self					
2.	Immediate Relatives:						
2.1							

Signature of the Designated Person:

Name:

Place:

Date:

Form E

FORMAT OF APPLICATION FOR PRE-CLEARANCE

To
The Compliance Officer
Precot Meridian Limited,
No. 737, Green Fields,
Puliakulam Road,
Coimbatore 641045

Dear Sir,

Application for Pre-clearance for trading in securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval to trade (purchase/ sale /subscription etc.) of _____ equity shares of the company as per details given below:

1. Name of the applicant	
2. Designation	
3. Name of the person, who is trading	
4. Number of securities held as on date a) By the applicant b) By the person executing trade	
5. Folio No. / DP ID / Client ID No.	
6. The Proposal is for a) Purchase of securities b) Subscription to securities c) Sale of securities	
7. Proposed date of trading in securities	
8. Estimated number of securities proposed to be acquired/ subscribed/ sold	
9. Price at which the transaction is proposed	
10. Current market price (as on date of application)	
11. Whether the proposed transaction will be through stock exchange or off-market	
12. Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I hereby confirm and declare that:

- a. I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking. In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

(....2)

- b. I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.
- c. If approval is granted, I shall execute the trade within 7 days of the receipt of approval failing which I shall seek pre-clearance again, if necessary.
- d. I undertake to submit the necessary report within two days of execution of the transaction/ a 'Nil' report if the transaction is not undertaken (within 9 days from the date of pre-clearance).
- e. I have made full and true disclosure in the matter.

Yours faithfully,

(Signature of Applicant)

Place:

Date:

Form F

Format for Reporting of trades executed

To
Precot Meridian Limited,
No. 737, Green Fields,
Puliakulam Road,
Coimbatore 641045

Dear Sir,

Reporting of trades executed after pre-clearance

Pre-Clearance & Date:		
Name of the Applicant for pre-clearance		
Details of Person who executed the trade a. Name b. Address b. PAN		
No & Value of shares held by the Person who executed the trade	No. of share	Value of Share
Before this trade (opening)		
Current trade (Buy / Sale etc.)		
After the trade (Closing)		
Mode of acquisition (market purchase/public /Rights/ preferential offer etc.)		
Date of trade		
Exchange on which the trade was executed		

Signature of the Applicant:

Name:

Place:

Date: