



MAXWELL INDUSTRIES LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

1. INTRODUCTION

Insider Trading means dealing in securities of a company listed/traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated SEBI (Insider Trading) Regulation 1992. SEBI had since amended the existing regulations. These regulations are now called Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the regulations). These regulations have been amended with effect from 20th February, 2002 and are modified from time to time. Chapter IV of the Regulations require *inter alia* all listed companies to frame a code of internal procedures and conduct as near thereto to the Model code specified in Part A of Schedule I to the Regulations.

Regulation 12 of the **Regulations** requires *inter alia* all listed companies to set up an appropriate mechanism and to frame and enforce a code of internal procedures and conduct based on the Model Code specified in **Schedule I** to the **Regulations**. Further, Regulation 13 of the **Regulations** requires Directors, Officers, Connected Persons and Substantial Shareholders of listed companies to disclose their shareholdings or voting rights to the respective companies.

In compliance with the above requirements, the Company has introduced a Code for prohibition of Insider Trading (hereinafter referred to as the '**Code**').

All the Directors and Employees of Maxwell Industries Limited (Maxwell) are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the Code.

This Code seeks to comprehensively lay down the obligations of all persons who are deemed to be 'Insiders' as defined in the **Code** in due compliance with the Regulations.

In view of the above, 'Insiders' are advised not to deal in the Securities of the Company, while in possession of unpublished Price Sensitive Information. Further, Insiders are advised to acquaint themselves with the provisions considered in the Regulations.

2. TITLE, COMMENCEMENT AND EXTENT

- I. This Code is called Maxwell Industries Limited Code of Conduct for Prevention of Insider Trading.
- II. It shall come into force on 15th May, 2008.
- III. This Code is applicable to Maxwell Industries Limited, all its Directors and Employees and its Subsidiaries and their Dependent Family Members.

3. DEFINITION OF TERMS

3.1 **"Company"** means Maxwell Industries Limited.

3.2 **"Compliance Officer"** means the officer appointed by Board of Directors of Maxwell as compliance officer pursuant to clause 4 of the Code.

3.3 **"Close Period"** means

(a) the period commencing from the time of announcement of the Board of Directors meeting for consideration of all matters which are deemed to be 'Price Sensitive Information' and ending 24 hours after the public announcement of the decision taken by the Board of Directors of the Company; or

(b) such other period as may be notified by the 'Compliance Officer' from time to time under the authority of Chairman or Managing Director(s)

3.4 **"Connected Person"** means any person who-

(i) is a Director of the Company, or is deemed to be a Director of Company by virtue of sub-clause (10) of section 307 of the Companies Act, 1956; or

(ii) occupies the position as an Officer or an Employee of the Company; or

(iii) 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 the Company;

Explanation: For the purpose of this definition, the words "Connected Person" shall mean any person who is a Connected Person six months prior to an act of insider trading.

- 3.5 **'Dealing in Securities'** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities of the Company by any person either as principal or agent.
- 3.6 **'Deemed Connected Persons'** means and includes:
- (i) is a company under the same management or group or any subsidiary company thereof within the meaning of section (1B) of section 370, or sub-section (11) of section 372, of the Companies Act, 1956 (1 of 1956) or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969) as the case may be; or
 - (ii) is an intermediary as specified in section 12 of the SEBI Act, 1992, Investment company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation.
 - (iii) is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub-broker, Investment Company or an employee thereof, or, is a member of the 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 who have a fiduciary relationship with the Company;
 - (iv) is a member of the Board of Directors, or an employee, of a public financial institution as defined in Section 4A of the Companies Act, 1956; or
 - (v) is an official or an employee of a self Regulatory Organisation recognised or authorised by the Board of a regulatory body; or
 - (vi) is a relative of any of the aforementioned persons;
 - (vii) is a banker of the company.
 - (viii) relatives of the connected person;
 - (ix) is a concern, firm, trust, Hindu Undivided Family, company or association of person wherein any of the connected persons mentioned in sub-clause (i) of clause (3.4), of this code or any of the persons mentioned in sub-clauses (vi), (vii) or (viii) of this clause have more than 10% of the holding or interest.
- 3.7 **'Dependent family members'** shall mean the spouse, dependent parents and dependent children of the Director, Officer or Connected Person.

- 3.8 **'Designated Employees'** include all Employees and any other person as may be notified from time to time to the Compliance Officer.
- 3.9 **'Insider'** means any person who, 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 the Company, or who has received or has had access to such unpublished Price Sensitive Information;
- 3.10 **'Officer(s) of the Company'** means any Director, Secretary, or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act including an auditor of the Company.
- 3.11 **'Pre-clearance of Trade'** means prior approval for trading / Dealing in the Securities of the Company.
- 3.12 **'Price Sensitive Information'** means any information, which relates directly or indirectly to the Company and which if published, is likely to materially affect the price of Securities of the Company.

The following shall be deemed to be Price Sensitive Information:-

- (a) periodical financial results of the Company;
- (b) intended declaration of dividends (both interim and final);
- (c) issue of Securities or buy-back of Securities;
- (d) any major expansion plans or execution of new projects;
- (e) amalgamations, mergers or takeovers;
- (f) disposal of the whole or substantial part of the undertaking;
- (g) any significant changes in policies, plans or operations of the Company, such as:
 - (i) commencement of any new commercial production or commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year.
 - (ii) developments with respect to changes in pricing/realisation on goods and services arising out of changes in government policy.
 - (iii) litigation/dispute with a material impact.
 - (iv) revision of credit ratings assigned to any debt or equity instrument of the Company.
 - (v) any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the Securities of the Company.

- 3.13 "**Relative**" means a person who shall be deemed to be a relative of another, if, and only if,
- (a) they are members of a Hindu undivided family ; or
 - (b) they are husband and wife ; or
 - (c) the one is related to the other in the manner indicated below:
 - (i) Father.
 - (ii) Mother (including step-mother).
 - (iii) Son (including step-son).
 - (iv) Son's wife.
 - (v) Daughter (including step-daughter).
 - (vi) Father's father.
 - (vii) Father's mother.
 - (viii) Mother's mother.
 - (ix) Mother's father.
 - (x) Son's son.
 - (xi) Son's son's wife.
 - (xii) Son's daughter.
 - (xiii) Son's daughter's husband.
 - (xiv) Daughter's husband.
 - (xv) Daughter's son.
 - (xvi) Daughter's son's wife.
 - (xvii) Daughter's daughter.
 - (xviii) Daughter's daughter's husband.
 - (xix) Brother (including step-brother).
 - (xx) Brother's wife.
 - (xxi) Sister (including step-sister).
 - (xxii) Sister's husband.
- 3.14 '**Securities**' include shares, scrip, stocks, bonds, debentures, debenture stock, derivatives, employee stock options, ADR / GDR or other marketable Securities of a like nature excluding non-convertible debentures.
- 3.15 '**Substantial shareholders**' means any person who holds more than 5% of the total number of shares or voting rights in the Company.
- 3.16 '**Trading window**' means the period, which is not a 'Close Period' for trading or Dealing in the Company's Securities.
- 3.17 '**Unpublished Information**' means information, which is not published by the Company or its agents and is not specific in nature.

Explanation: Speculative reports in print or electronic media shall not be considered as published information.

3A INTERPRETATION OF CERTAIN WORDS AND EXPRESSIONS

Words and expressions not defined in this Code shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992 or the Companies Act, 1956 or the Securities Contract (Regulations) Act, 1956.

4. COMPLIANCE OFFICER

4.1 The Company Secretary of the Company shall be the Compliance Officer for the purpose of the Code and will report to the Chairman and Managing Director. In the absence of the Company Secretary, any other person as may be designated by the Board of Directors of the Company shall be the Compliance Officer for the purpose of the Code.

4.2 The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, pre-clearing of all Directors' / Employees' /Dependent Family Members' trades, addressing any clarifications/difficulties regarding the Regulations and/or the Code and the implementation of the Code, under the overall supervision of the Board of Directors of the Company.

4.3 The Compliance Officer shall maintain a record of the Director or Officer or Connected Person and any changes made in the list of the above mentioned persons.

4.4 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers or Connected Persons for a minimum period of three years.

4.5 The Compliance Officer shall place before the Chairman or Managing Director or a Committee of Directors as may be specified by the Board of Directors of the Company on a monthly basis all the details of dealings in the securities of the Company by Directors or Officers or Connected Persons and the accompanying documents that such persons had executed under the pre-clearance procedures as envisaged in item no.8 of the Code.

5. PROHIBITION ON DEALING, COMMUNICATING OR COUNSELLING ON MATTERS RELATING TO INSIDER TRADING

No Insider shall:

5.1 either on his own behalf, or on behalf of any other person, Deal in Securities of the Company when in the possession of any unpublished Price Sensitive Information;

5.2 communicate, counsel or procure, directly or indirectly any unpublished Price Sensitive Information to any person.

However these restrictions shall not be applicable to any communication required in the ordinary course of business or profession or employment or under any law.

6. PRESERVATION OF "PRICE SENSITIVE INFORMATION"

Directors, Officers, and Connected Persons shall maintain the confidentiality of Price Sensitive Information. They 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 of the Company. Following practices should be followed in this regard:

6.1 Need to know basis:

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e. Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.

6.2 Limited access to confidential information:

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc.

7. TRADING RESTRICTIONS

All Directors, Officers, and Connected Persons shall conduct all their Dealings in the Securities of the Company only in a valid trading window and shall not enter into any Dealing in the Company's Securities during the 'close period'.

8. PRE-CLEARANCE OF TRANSACTIONS

8.1 All Directors, or Officers or connected persons of the Company who intend to deal in securities of the Company shall do so only after the pre-clearance of the transaction as per the procedure mentioned hereunder. However, no pre-clearance shall be required if the total nominal value of the securities proposed to be dealt in does not exceed Rs. 100,000/- (Rupees One Lacs only) in a calendar month (either in one transaction or in a series of transactions).

8.2 The Compliance Officer shall grant approval or reject the application within two working days of receipt of the application for Pre-clearance of Trade.

8.3 Such persons shall execute the order for which Pre-clearance of Trade has been obtained within one week of such approval. The details of the Dealings in Securities shall be communicated to the Compliance Officer within four working days thereof. In case, the person is unable to execute the order within one week after the approval, a fresh application for Pre-clearance of Trade (as mentioned above) shall be made.

9. MINIMUM HOLDING PERIOD

9.1 All Directors or Officers or Connected Persons of the Company shall hold their investments in Securities of the Company including those procured in public offer(s) for a minimum period of 30 days. The holding period shall commence from the date of allotment in case of Securities procured in public offer(s).

Under circumstances of personal emergency, such persons shall make an application (**Appendix - 1.3**) to the Compliance Officer requesting a waiver of the holding period, explaining the reason for the same. The Compliance Officer may on being satisfied as to the urgency of the situation grant the waiver.

10. DISCLOSURES REQUIRED TO BE FURNISHED

All Directors or Officers or Connected Persons shall make disclosures to the Company as detailed below:

10.1 Initial Disclosure of details of acquisition of 5% or more shares by any person in **Form 'A'** (**Appendix 2.1**) disclosing the total number of shares or voting rights in the Company, within 4 working days of acquiring more than 5% of the total number of shares or voting rights in the Company.

10.2 An initial disclosure of details of shareholding in **Form 'B' (Appendix 2.2)** within 4 working days of becoming a Director or Officer or Connected Person.

10.3 Disclosure of details of change in shareholding in respect of persons holding more than 5% of shares in the Company in **Form 'C' (Appendix 2.3)** within 4 working days of-

- (i) the receipt of intimation of allotment of shares or
- (ii) the acquisition or sale of shares or voting rights, as the case may be.,

if such change in shareholding results in variation of more than 2% of the total shareholding or voting rights in the Company.

10.4 Statement in **Form 'D' (Appendix 2.4)** reflecting any change in the holdings since the last disclosure where such change exceeds 25000 shares or market value of which exceeds Rs.5.0 lakh or 1% of total shareholding or voting rights, whichever is lower, within four working days of:

- (i) the receipt of intimation of allotment of shares or
- (ii) the acquisition or sale of shares or voting rights, as the case may be.

11. PENALTY/PUNISHMENT FOR CONTRAVENTION OF CODE

11.1 Any Director or Officer or Connected Persons of the Company who Deals in Securities of the Company or communicates any information enabling the trading in Securities of the Company, in violation/contravention of this Code shall be penalised with an amount as may be decided by the Committee of Directors and shall also be subject to such disciplinary action as may be considered appropriate by the Chairman / Committee of Directors of the Company.

Disciplinary action may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

11.2 Under Section 15G of SEBI Act, any person violating the Code is liable for a penalty not exceeding Rs. 25 (twenty five) crores or three times the amount of profits made out of insider trading, whichever is higher.

11.3 Under Section 24 of SEBI Act, any one who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine, which may extend to Rs.25 (twenty five) crores or with both.

11.4 Such a person who violates the Code shall also be subject to any action that may be taken by SEBI under Regulation 11 of the Regulations, including declaring such Dealings in Securities as null and void.

12. INTIMATION TO SEBI

In case the Compliance Officer and / or the Company observes that there has been violation of these Regulations, the Company shall inform SEBI of such violations for appropriate action. SEBI can initiate necessary proceedings for violation of any of these Regulations.

13. CLARIFICATIONS/ ENQUIRIES

The Compliance Officer may be contacted for any assistance as to the interpretation and application of this Code.

Appendix 1.1
APPLICATION FOR PRE-CLEARANCE
(For Director or Officer or Connected Persons)
[See Regulation 8(1.1) of the Code of Conduct]

To

The Compliance Officer
Maxwell Industries Limited
C-6 Road No. 22, MIDC,
Andheri (E), Mumbai – 400093

Employee Code :	
Name of the Employees :	
Designation :	
Region :	
Date of Joining the Company	
Name of holder of securities	
Relation	
Kind of securities proposed to be dealt in :	
Number of securities proposed to be dealt in :	
Estimated Market Value of the securities proposed to be dealt in :	
Name of the depository :	
Folio No./Client ID No:	

I hereby declare that all information in this form is true and correct to the best of my knowledge. I also understand that any misrepresentation of facts in this form is sufficient cause for disciplinary action by the Company.

Date :

Place :

(Signature of Applicant)

In relation to the above Dealing, I undertake that

- i) I have no access to nor do I have any information that could be construed as "Price Sensitive Information" as defined in the code upto the time of signing this undertaking;
- ii) 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;
- iii) I have not contravened the provisions of the code of conduct for prohibition of insider trading as notified by the company from time to time;
- iv) I hereby declare that I shall execute my order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given. I undertake to obtain pre-clearance for the transaction again.

PRE-CLEARANCE ORDER

With reference to your application dated _____ this is to inform you that your request for Dealing in _____ (nos.) or _____ value of shares of the Company as mentioned in your above-mentioned application is approved. **Please note that the said deal must be completed on or before _____ (date) that is within 7 working days from today.**

Date :

For Maxwell Industries Limited

Compliance Officer

CONFIRMATION OF DEAL

To: The Compliance Officer

I confirm that the share dealing for which approval was granted on _____ was completed on _____ by purchasing / selling in _____ (nos.) equity shares of the Company.

Date :

Signature

* Any other Securities may be specified by the company.

Appendix 1.2

DISCLOSURE AT THE TIME OF PRECLEARANCE

Date:

To

The Compliance Officer
Maxwell Industries Limited
C-6 Road No. 22, MIDC,
Andheri (E), Mumbai – 400093

Statement of holdings at the time of Pre-clearance by the Director / Officer / Connected Person

Name	Employee No.	Nature Of Relation	No. of shares held as on date (date of application for pre-clearance)	Nature of dealing for which approval is sought	No. or value of Shares to be dealt	DP ID	Folio No. / Client ID

I hereby declare that the shares to be sold have been held by me for a minimum period of 30 days.

Signatures:

Appendix 1.3

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

Date:

To
The Compliance Officer
Maxwell Industries Limited
C-6 Road No. 22, MIDC,
Andheri (E), Mumbai – 400093

From:
Name:
Grade:
Employee No.:

Through Division/Department Head/Executive Director

Dear Sir,

I request you to grant me waiver of the minimum holding period of 30 days as required under the Code for prohibition of insider trading with respect to _____ Shares of the Company held by me and which were acquired by me on _____ (Date). I desire to deal in the said shares on account of _____ (please state reasons).

Thanking you,

Yours faithfully,

Signature

APPROVAL GRANTED / REJECTED

FOR _____

COMPLIANCE OFFICER DATE:

Appendix 2.1

FORM A

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,
1992**
[Regulation 13 (1) and (6)]

Regulation 13 (1) - Details of Acquisition of 5% or more shares in the Company

Name & Address Of Shareholder With Telephone No.	Share Holding Prior to aquisition	No. & % of shares/ Voting Rights acquired	Date of receipt of allotment/ advice. Date of acquisition (specify)	Date of intimation to Company	Mode of Acquisition (Market purchase/ public rights/ preferential offer etc.)	Shareholding subsequent to acquisition	Trading members through whom the trade was executed with SEBI Registration No. of the Trading member	Exchange on which the trade was executed	Buy Quantity	Buy value	DP ID	Folio No. / Client ID

Signatures: _____

Note: To be submitted within 4 working days of acquiring more than 5% shareholding or voting rights in the Company as per clause 10.1 of the code.

APPENDIX 2.2

FORM B

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,
1992
[Regulation 13 (1) and (6)]**

**Regulation 13 (2) - Details of shares held by Directors/ Officers/ Connected persons of the
Company**

Name & Address Of Director/ Officer/ Connected person	Date of Assuming Office of Director/ Officer/ Connected person	No. & % of shares/ Voting Rights Held at the time of becoming Director/ Officer/ Connected person	Date of Intimation to Company	Mode of Acquisition (Market purchase/ public rights/ preferential offer etc.)	Trading members through whom the trade was executed with SEBI Registration No. of the Trading member	Exchange on which the trade was executed	Buy Quantity	Buy value	DP ID	Folio No. / Client ID

Signatures: _____

Note: To be submitted within 4 working days of becoming Director/ Officer / Connected Person in the Company as per clause 10.3 of the code.

APPENDIX 2.3

FORM C

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,
1992
[Regulation 13 (3) and (6)]**

**Regulation 13 (3) - Details of change in shareholding in respect of persons holding more
than 5% shares in the Company**

Name & Address Of Shareholder	Shareholding Prior to Acquisition/sale	No. & % of shares / Voting Rights Acquired/sold	Receipt of Allotment Advice/Acquisition of shares/ sale of shares (specify)	Date of intimation to Company	Mode of Acquisition (market purchase/ public/ rights/ preferential offer etc.)	No. & % Of Shares/ Post Acquisition voting rights sale	Trading members through whom the trade was executed with SEBI Registration No. of the Trading member	Exchange on which the trade was executed	Buy Quantity	Buy Value	Sell Quantity	Sell Value	DP ID	Folio No. / Client ID

Signatures: _____

Note: To be submitted within 4 working days of acquiring 5% shareholding or voting rights in the Company as per clause 10.3 of the code.

APPENDIX 2.4

FORM D

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

[Regulation 13 (4) and (6)]

Regulation 13 (4) - Details of change in shareholding of Directors/ Officers/ Connected persons of the Company

Name & Address Of Director/ Officer/ Connected person	No. & % of shares/ Voting Rights held by the Director/ Officer/ Connected person	Date of receipt of Allotment Advice / Acquisition/ Sale of shares/ voting rights	Date of Intimation to Company	Mode of Acquisition (market purchase/ public/ rights/ preferential offer etc.)	No. & % Of Shares/ Post Acquisition voting rights sale	Trading members through whom the trade was executed with SEBI Registration No. of the Trading member	Exchange on which the trade was executed	Buy Quantity	Buy Value	Sell Quantity	Sell Value	DP ID	Folio No. / Client ID

Signatures: _____

Note: To be submitted within 4 working days of any change in shareholding of any Director/ Officer / Connected Person in the Company as per clause 10.4 of the code.