

HAVELLS INDIA LIMITED

POLICY for Prohibition of Insider Trading Regulations as per SEBI (Prohibition of Insider Trading) Regulations, 1997

As per Schedule I of the Regulations, the Directors/ Officers/ Designated Employees of the Company are required to make Disclosure of their as well as their dependant family members' holding in the shares of the Company in the prescribed format.

The object of SEBI (Prohibition of Insider Trading) Regulation, 1997 is to prevent the trading in securities by the insiders of the Company before the Price Sensitive Information is made public.

The Board has formulated the following policy in this regard:

APPLICABILITY

The policy is applicable to all the Directors of the Company and Designated Employees including their dependant family members i.e. Spouse, Children, Father & Mother.

COMPLIANCE OFFICER

The Company Secretary of the Company shall act as the Compliance Officer of the Company and is responsible to comply with the provisions as contained in the Regulations.

The Compliance officer shall be under the overall supervision of the Board of Directors and shall report to Shri Rajesh Gupta, Director (Finance) of the Company.

DESIGNATED EMPLOYEES

- ◆ All officers comprising the top three tiers of the Company's Management i.e. President & Vice President and General Managers

PRICE SENSITIVE INFORMATION 'PSI'

- ◆ Periodical financial results of the Company
- ◆ Intended declaration of dividends
- ◆ Issue of securities or buy back of securities
- ◆ Major expansion plans or execution of new projects
- ◆ Amalgamation, mergers or takeovers
- ◆ Disposal of the whole or substantial part of the undertaking
- ◆ Any significant changes in policies, plans or operations of the Company

PROHIBITION ON DISCLOSURE OF PSI

The Directors/ Designated Employees shall maintain the confidentiality of all 'Price Sensitive Information' (PSI) and shall not disclose or communicate or counsel or procure directly or indirectly the PSI to any person until the same is made available to the general public. The Directors/ Designated Employees, when in possession of PSI shall not buy/ sell securities of the Company either on their own behalf or on behalf of any other person.

TRADING WINDOW i.e. TRADING PERIOD AND TRADING LIMIT

All the Directors / designated employees of the Company 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 period when the trading window is closed.

- ◆ Trading of Securities of the Company shall not be allowed by the Directors/ Designated Employees and their dependant family members during the period when the Trading Window is closed. Trading Window shall be closed atleast 7 days before the date of Board Meeting related with any item of the PSI. Trading window shall open 24 hours after the PSI is published or made available to the General Public.
- ◆ There is no restriction for trading of securities of value for less than Rs.5,00,000/- or less than 50000 no. of shares during a valid trading window.
- ◆ All the Directors/ Officers/ Designated Employees and their dependants who intend to deal in shares (not less than 50000 shares in no. or Rs.5,00,000/- in value) should pre-clear the transaction as per the procedure:
 1. Application to the Compliance Officer and a Director (in case the applicant is Compliance Officer himself, to the Chairman) in the prescribed format
 2. Undertaking executed by Directors/ Officers/ Designated Employees in favour of the Company stating that:
 - he/ she does not have access to or received PSI upto the time of signing the undertaking
 - that in case he/ she has access to or receives PSI after signing the undertaking but before execution of transaction, he shall inform the Compliance Officer forthwith and refrain from dealing in securities till the PSI becomes public
 - he/ she has not contravened the provisions of the Code on PIT
 - he/ she has made full disclosure in the matter
 3. Execution of order within one week i.e. 7 days of the permission
- ◆ In all cases, Directors/ Designated Employees who buy or sell any no. of shares of Company shall not enter into an opposite transaction i.e. sell or buy any no. of shares within 6 months following a prior transaction.

In case sale of securities is necessitated by personal emergency, the holding period may be waived by Compliance Officer after recording in writing his reasons in this regard.

The Compliance Officer of the Company shall disclose the information regarding the closure and open of Trading Window to the concerns from time to time.

DISCLOSURE REQUIREMENT AND PROCEDURE

NEW EMPLOYEE : At the time of joining the Company

DIRECTORS & DESIGNATED EMPLOYEES

Initial disclosure : Latest by 30th July, 2002

Continual Disclosure : Half yearly basis, within a period of 7 days from the end of the Half year

i.e. latest by 7th April
7th October

: Within two working days of any change in their holding since the last disclosure where such change exceeds Rupees 5,00,000/- in value or 25,000 shares or 1% of total shareholding whichever is lower.