

CHD DEVELOPERS LIMITED

Code of Conduct for Prevention of Insider Trading

[Pursuant to Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations 1992 as amended by Notification dated 20.2.2002 (SEBI Regulations)] AND Code of Corporate Disclosure Practices

(As per Schedule II of SEBI Regulations) Approved by the Board at its meeting held on 1st December, 2004 and updated in terms of further amendments to the said SEBI Regulations Updated in terms of –

I) SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2002

II) SEBI (Prohibition of Insider Trading (Amendment) Regulations, 2003

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING TO BE OBSERVED BY THE DESIGNATED EMPLOYEES AND DIRECTORS OF THE COMPANY PURSUANT TO REGULATIONS 12(1) AND SCHEDULE II OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS 1992 AS AMENDED BY NOTIFICATION DATED 20.02.2002

1. PREAMBLE

Insider trading means dealing in securities of a company by insiders which term includes Directors, Officers and Employees of the Company who are connected with the Company and/or reasonably expected to have access to Unpublished Price Sensitive Information (UPSI) in respect of securities of the Company or who had access to such UPSI. Such dealings by Insiders erode the investors' confidence in the fairness and integrity of the management. Rampant Insider Trading deters investment from capital market which in turn affects growth of economy.

The Securities and Exchange Board of India (SEBI), as part of its efforts to protect the interests of investors in general, had issued the SEBI (Insider Trading) Regulations, 1992 under the powers conferred on it by the SEBI Act, 1992. Applicable to all listed companies, these Regulations came into force with effect from 19th November 1992. The Regulations prohibit insider trading. Regulation 3 of the Regulations, which prohibits insider trading is quoted hereunder:

“No Insider shall –

- (i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information; or***
- (ii) Communicate, counsel or procure, directly or indirectly, any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities.***

Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law.”

Under the Regulations, it is mandatory for every listed company/entity to adopt a Code of Conduct for Prevention of Insider Trading, for its Directors, Officers and Employees in terms of Schedule I to the Regulations. The Directors, officers and employees of the Company owe a fiduciary duty to all the stakeholders of the Company whereby the interests of such stakeholders have to be placed above the interests of the said Directors, officers and employees. In view of this, this Code lays down that these persons shall deal in the securities of the Company in a manner that does not create any conflict of interest.

1.1 CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

1.1.1 This Code will be known as “Code of Conduct for Prohibition of Insider Trading of the Company” made pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulation 1992.

1.1.2 Applicability: The Code shall be applicable to all the Directors and designated employees of the Company.

1.1.3 Definitions: Unless the context otherwise requires, the words, “terms and expressions” used in the Code shall have the meanings given in Regulation 2 of Chapter I of the Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations 1992.

(a) **‘Board’** means the Board of Directors of the Company.

(b) **“Compliance Officer”** means the Officer appointed by or under this Code from time to time.

(c) **‘Code’** means the Code of Conduct for Prohibition of Insider Trading of the Company.

(d) **‘Deal’, ‘dealings’ or ‘trade’** in the securities mean purchase and sale of, and subscription, to the securities of the Company.

(e) **‘Dependents’ or ‘dependent family members’** means dependent spouse, children and parents.

(f) **“Designated Employees”** for the purpose of this Code shall mean :-

I. Officers comprising the top 3 tiers of Company Management, namely :-

(i) Managing Director or the CEO as the case may be, Deputy Managing Director and Whole Time Director.

(ii) Business Heads by whatever designation they may be called (Chief Operating Officer, Vice President, General Managers, Regional Managers, Chief Finance Officer etc)

(iii) Functional Heads reporting to Business Heads by whatever designation they may be called (Vice President, General Manager, Regional Manger, Managers, Company Secretary, etc.)

II. All the Employees at or above the level of Manager in Finance, Accounts and Secretarial Department.

III. Such other employees as may be designated by Managing Director or the CEO as the case may be from time to time.

(g) “**Threshold Limit**” means a minimum number of as decided by the Board of Directors of the Company from time to time. Until otherwise resolved by the Board, 5000 equity shares that may be acquired without any clearance under these Regulations during a valid Trading Window

(h) “**Officer**” includes any Director, Manager or Secretary or any person in accordance with whose directions and instructions the Board of Directors of the Company or any one or more of the Directors is or are accustomed to act including an auditor.

(i) Price Sensitive Information

“Price Sensitive Information” means any information which relates to directly or indirectly to the Company and which if published is likely to materially affect the price of securities of the Company.

Explanation - The following shall be deemed to be price sensitive information :-

- (i) Periodical financial results of the Company
- (ii) Intended declaration of dividends (both interim and final)
- (iii) Issue of securities or buy-back of securities
- (iv) Any major expansion plans or execution of new projects
- (v) Amalgamation or mergers or takeovers
- (vi) Disposal of the whole or substantial part of the undertaking
- (vii) Any significant changes in policies, plans or operations of the Company which shall have material impact on the financials of the Company.

(j) ‘**Regulations**’ means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992.

(k) ‘**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.

(l) “**Trading Window**” means the period during which the designated employees and Directors of the Company may trade in the Company’s securities subject to the restrictions imposed by or under the Code.

1.2 Compliance Officer

1.2.1 For purposes of this Code, the Secretary of the Company shall be the Compliance Officer. The Board may, where it is considered necessary so to do, appoint such other officer/Director as it may consider proper as such Compliance Officer. In the absence of the Compliance Officer on any account whatever, any Officer as the Managing Director or the CEO may decide, shall act as and discharge the functions of the Compliance Officer. The Compliance Officer shall report to the Managing Director or the CEO as the case may be.

1.2.2 The Compliance Officer shall be responsible for setting forth policies as approved by the Board / Committee of Directors; procedures; monitoring adherence to the rules for the reservation of “Price Sensitive Information” ; pre-clearing of designated employees’ and their dependents’ trades ; monitoring of trades and the implementation of the Code of Conduct, under the overall supervision of the Board of the Company.

1.2.3 In the interests of smooth implementation of the Code, the Managing Director or the CEO as the case may be from time to time authorize Departmental Heads for pre clearance of such trades subject to the conditions as her impose.

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

1.2.5 The Compliance Officer shall assist the designated employees and Directors in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Code.

1.3 Preservation of “Price Sensitive Information”

1.3.1 The designated employees and Directors shall maintain the confidentiality of all Price Sensitive Information (PSI). The Designated employees and Directors shall not :-

- (a) pass on the PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company ; or
- b) disclose PSI to their family members, friends, business associates or any Other individual ; or
- (c) discuss PSI in public places ; or
- (d) disclose PSI to any employee who does not need to know the information for discharging his or her duties ; or
- (e) be seen or perceived to be dealing in Securities of the Company on the basis of unpublished PSI.

1.4 Prevention of misuse of “Price Sensitive Information”

All designated employees and Directors of the Company shall be subject to trading restrictions as enumerated below :-

1.4.1 Trading Window

1.4.1.1 The Trading Window shall be closed during the period the information referred to in paragraph 1.4.1.3

1.4.1.2 The designated employees and Directors shall not trade in the Company’s securities during the period when the Trading Window is closed.

1.4.1.3 The Trading Window shall be closed, inter alia, at the time of :-

- (i) Declaration of financial results (quarterly, half-yearly and annual)
- (ii) Declaration of dividends (both interim and final)
- (iii) Issue of securities by way of public/rights/bonus etc.
- (iv) Any major expansion plans or execution of new projects
- (v) Amalgamation or mergers or takeovers and buy-back
- (vi) Disposal of the whole or substantial part of the undertaking
- (vii) Any significant changes in policies, plans or operations of the Company which shall have material impact on the financials of the Company.

1.4.1.4 The Trading Window shall be closed and shall deemed to have been closed from the date notice is issued to the Directors convening a meeting of the

Board to consider any of the items referred at paragraph 1.4.1.3, provided where any matter other than those specified in paragraph 1.4.1.3 is considered price sensitive, the Compliance Officer in consultation with Managing Director or the CEO as the case may be may close the Trading Window by giving immediate notice thereof to the designated employees and the Directors and accordingly the Trading Window will remain closed from the date of issue of such notice.

1.4.1.5 As regards declaration of dividend and other matters referred to in (iii) to (vii) above, the Managing Director or the CEO as the case may be shall, well before initiation of such activity/ project, form a core team of Designated Employees and/ or Designated Group persons who would work on such project. The Managing Director or the CEO as the case may be shall also designate a senior employee who would be in-charge of the project. Such Team members will execute an undertaking not to deal in the securities of the Company till the PSI regarding the activity/project is made public or the activity/project is abandoned and the Trading Window would be regarded as closed for them.

1.4.1.6 The Trading Window shall be opened 24 hours after the information referred to in para 1.4.1.3 read with 1.4.1.4 is made public.

1.4.1.7 All Designated employees and Directors 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 periods when the Trading Window is closed.

1.4.1.8 In case of ESOPs (if issued by the Company), exercise of option may be allowed in the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the Trading Window is closed.

1.4.2 Pre-Clearance of Trades

1.4.2.1. All designated employees and Directors may deal in the securities of the Company upto the minimum threshold limit prescribed under the Code, during the period when the Trading Window is open.

1.4.2.2. All the designated employees and Directors of the Company who intend to deal in the securities of the Company above the minimum threshold limit prescribed under the Code during the period when the Trading Window is open, shall obtain the preclearance of the intended transaction as per the pre-dealing procedure described hereunder.

1.4.2.3. An application may be made to the Compliance Officer in Form G or in such other form as the Company may notify in this regard, indicating the estimated number of securities that the designated employee or the director intends to deal in, whether held in physical mode and if so, the Folio No. ;and if held in dematerialized form, the details as to the Depository with which he has a security account, Demat Identification No., 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.

1.4.2.4. A declaration-cum-undertaking shall be executed in favour of the Company by such employee or director incorporating, inter alia, the following clauses, as may be applicable :-

“(a) I do not have any access to, nor have I received, any “Price Sensitive Information” upto the time of signing this undertaking.

(b) In case I have access to or receive “ Price Sensitive Information” after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer 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.

(c) I have not contravened the Code of Conduct for prevention of Insider Trading as notified by the company from time to time.

(d) I have made a full and true disclosure in the matter.”

1.4.2.5 The Compliance Officer shall consider the application made as above and shall approve it forthwith and in any case not later than two working days from the date of the receipt of the application 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 or fax. Every approval shall be dated and shall be valid for one week from the date of approval.

1.4.2.6 All designated employees and Directors shall execute their order in respect of the securities of the Company within one week after the approval of pre-clearance and shall file within 4 days of execution of the deal, the details of such deal with the Compliance Officer in the prescribed form (Form H). In case the transaction is not undertaken, a report to that effect shall be filed with the Compliance Officer. If the order is not executed within one week after the approval is given, the designated employee/director must pre-clear the transaction again.

1.5 Other Restrictions

1.5.1 All designated employees and directors shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall also apply to subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

1.5.2 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 the reasons in this regard.

1.5.3 Where any Analysts or Consultants are employed or retained by the Company, or where the Company is required to deal with investment analysts, consultants or such other person(s), such Analysts, Consultants or other persons shall disclose to the Company/its Compliance Officer their holdings/ interest in the securities of the Company that they shall not deal in the securities of the Company for a minimum period of 30 days after their report/ conclusions are published.

1.6 Reporting Requirements for transaction in securities

1.6.1 All designated employees and directors of the Company shall be required to forward following details of their Securities transactions including the statement of dependent family members to the Compliance Officer:

(a) All holdings in securities of the Company of the designate employee or director at the time of joining the Company (Initial Disclosures in Form B);

(b) Periodic statement of any transactions in securities as and when entered into (Continual Disclosures in Form D). The Compliance Officer may at any time call for statement of transactions entered into half yearly or quarterly or in any Particular duration or period from all or any of the designated employees or Directors of the Company, as he may determine;

(c) Annual statement of all holdings in securities to be submitted annually within one month of the close of calendar year in Form F.

1.6.2 The Compliance Officer shall maintain records of all the declarations in the Appropriate form given by the designated employees and directors for a minimum period of three years.

1.6.3 The Compliance Officer shall place before the Managing Director or the CEO as the case may be and the Committee of Directors of the Company, on a monthly basis all the details of the dealings in the securities by the designated employees and directors of the Company and the accompanying documents that such person had executed under the pre-dealing procedure as envisaged in this Code.

1.7 Penalty for Contravention of Code of Conduct

1.7.1 Any designated employee 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 Managing Director or CEO as the case may be or by any other person authorized by the Managing Director or CEO as the case may be after giving reasonable opportunity to explain his stand in the matter. The Board shall look into contravention of the Code by Directors.

1.7.2 The designated employees who violate the Code of Conduct 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. The provisions of this Code shall be deemed to have been incorporated in and form part of service rules governing the employees concerned of the Company.

1.7.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), regulations, 1992.

1.8 Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

1.8.1 In case it is observed by the Company that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Compliance Officer shall inform the SEBI of the same.

1.9 Power to amend Code of Conduct

1.9.1 The Code may be amended from time to time by the Board.

FORM E

Details of Dependent Family Members

Name of the Company :
Name of Employee/Officer/Director :
Designation :
Department :
Location :

Details of Dependent Family Members

S. No.	Name & Relationship	Shares of Company held	DPID/Ben ID or Folio No.

Place :
Date :

Signature : _____
Name of Employee
/Officer/ Director

FORM F

Annual Disclosure of Holdings under Code of Conduct for Prevention of Insider trading (to be furnished to the Compliance Officer on or before 31st January of the following year)

1. Name of the Company :
2. Name of Designated Employee/Officer/ Director :
3. (a) Designation :
- (b) Deptt. :
- (c) Location :
4. (a) No. of Equity Shares of the Company held as on 31st December :
- (b) Folio No.(if held in physical mode) :
- (c) Client ID (if held in demat form) :
- (d) Name of Depository :
- (e) Name & Address of Depository Participant :

I confirm having held the aforesaid shares of the Company for a minimum period of 30 days.

Place : Signature _____
Date : Name _____

Note: Please give on a separate sheet details of shares held by members of your family including dependents.

FORM G

Application for Pre-Clearance of Transactions

To the Compliance Officer

For prevention of Insider Trading

1. Name of Applicant :
2. (a) Designation :
- (b) Deptt. :
- (c) Location :
3. (a) No. of Equity shares held :
- as on date of Application
- (b) Folio No.(if held in physical mode) :
- (c) Client ID (if held in demat form) :
- (d) Name of Depository :
- (e) Name & Address of Depository Participant :

4.1 I, the applicant, propose to enter into transactions in the securities of the Company as per details given hereunder:

Name of Transaction	Estimated No. of Security of the Company	DPID/Client ID/Folio No. in which credit/debit will be given
_____	_____	_____

- (a) Intended purchase
- (b) Intended sale

4.2 I request you to pre-clear the aforesaid transactions to enable me execute the same.

5. I hereby undertake:

- (a) that I do not have any access to or has not received “ Price Sensitive Information” upto the time of signing this undertaking.

(b) That in case I shall have access to or receive “Price Sensitive Information” after signing of this undertaking but before execution of this transaction I shall inform the Compliance Officer 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.

(c) That I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time.

(d) That I have made a full and true disclosure in the matter.

6. I agree to execute the intended purchase/sale of the securities detailed above within one week of receipt of the approval of pre-clearance.
7. I shall hold the above shares if purchased, for a minimum period of 30 days.
8. I shall also abide by and comply with any conditions that may be imposed while according the approval of pre-clearance by you.

Place: _____ Signature _____

Date: _____ Name _____

FORM H

DISCLOSURE OF EXECUTION OF PRE-CLEARED TRANSACTIONS

(To be filed within 4 days of execution of the deal in securities of the Company)

Date : _____

To

The Compliance Officer

DETAILS OF PRE-CLEARED TRANSACTION

Ref: Your letter of pre-clearance No. _____ dated _____

1. On the subject, I hereby inform you that :

- I have not bought/sold any Equity Shares of the Company
- I have bought/sold _____ Equity shares as detailed hereunder on _____ :
- (Strike out whichever is not applicable)

* Name of Holder	No. of Equity Shares bought/ sold	DPID/Client ID or Folio No. where shares will be credited or debited	Price (Rs.)

*(Indicate sole/1st/2nd/3rd Joint holder)

2. In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of three years and produce to the Compliance Officer/ SEBI any of the following documents :

- (1) Broker's Contract note
- (2) Proof of payment to/from brokers
- (3) In case of Demat transactions-
 - (a) Extract of Bank Passbook/ Statement of Transaction
 - (b) Copy of Delivery Instruction Slip (Applicable in case of sale transaction)

3. I declare that the above information is correct and no provisions of the Company's Code of Conduct for Prevention of Insider Trading and/or applicable laws/regulations have been contravened for effecting the above said transaction (s).

4. I agree to hold the above shares for a minimum period of 30 days. In case there is any urgent need to sell these shares within the said period, I shall approach the Company (Compliance Officer) for necessary approval.

Signature: _____

Name:

Deptt. / Div

CODE OF CORPORATE DISCLOSURE PRACTICE

Code of Corporate Disclosure Practices for Prevention of Insider Trading to be followed by listed companies has been inserted by way of Schedule II in the SEBI (Prohibition of Insider Trading) Regulations 1992 by amendment of 2002.

1.1 This Code provides for:

- (a) Designation of a senior level officer for coordinating and overseeing timely and adequate disclosures of Price Sensitive Information.
- (b) Prompt disclosure of Price Sensitive Information to stock exchanges on continuous and immediate basis.
- (c) Use various media to achieve maximum reach in dissemination
- (d) Use dedicated internet website.
- (e) Timely reporting of shareholdings and changes therein.
- (f) Stock Exchange should disseminate, disclosures made by the Companies in a quick and efficient manner through Stock Exchange network as well as its website.
- (g) Continuous disclosures made by companies should be published by Stock Exchange on its website instantly.
- (h) Responding to market rumors by verifying or denying and making the right disclosures.
- (i) The Code also provides special guidelines for disclosure of price sensitive information to analysts and institutional investors.

1.2 The Company shall disseminate all Price Sensitive Information on a continuous and timely manner to Stock Exchanges where the securities are listed and thereafter to the Press. As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the Press may be supplemented by prompt updates on the Company's website. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.

1.3 Disclosures to the Company

1.3.1 Initial Disclosures

The Regulation 13(1) & 13(2) provides for initial disclosures to the Company:

(a) by any person who holds 5% shares and above in the Company (substantial Shareholders), disclosing the number of shares held, within 4 working days of receipt of allotment of shares or acquisition of shares in Form A

and

(b) By any person who is a director or officer of a listed company disclosing to the Company in Form B the number of shares held by such person within 4 working days of becoming a Director or Officer of the Company

1.4 Continual Disclosures

Under Regulation 13(3) and 13(4), continual disclosures are prescribed to be given to the Company within 4 working days of change in the 1.4 holding of:

(a) any substantial shareholder who held more than 5% shares if such change exceeds 2% of total shareholding in the Company in Form C

(b) any person who is a Director or Officer if the change exceeds Rs. 5,00,000/- in value or 25000 shares or 1% of total shareholding in the Company, whichever is lower in Form D

1.5 Disclosures by Company to Stock Exchanges

1.5.1 Further, the Company is also required to disclose to all stock exchanges on which it is listed, the initial disclosures and receipt of disclosures made from time to time.