

PCS TECHNOLOGY LIMITED

Insider Trading Policy

The Company pursuant to SEBI Circular no. SEBI/LAD-NRO/GN/2018/59 dated 31st December, 2018 Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI Circular no. SEBI/LAD-NRO/GN/2019/02 dated 21st January, 2019 Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019 is required to amend/ modify its existing “PCS Insider Trading policy” and formulate it in compliance with the amended regulations of the SEBI.

Accordingly, the Board of Directors (“the Board”) of the Company at its meeting held on 13th February, 2019 has adopted and formulated the amended policy in compliance with the aforesaid regulations of the SEBI and also uploaded the same on Company’s website at www.pcstech.com

PURPOSE AND APPLICABILITY

This Policy has been formulated to maintain the highest ethical standards while dealing in Securities of the Company by the Insiders. The purpose of the policy is also put in place a framework for prohibition of insider trading in securities, and to strengthen the legal framework thereof.

PCS Insider Trading policy” is applicable to all Designated Persons, their dependent family members, connected persons, Promoter and Promoter Group(s). This Policy shall be deemed to have come into effect from 1st April, 2019

1. Rules

The rules shall be called ‘Rules for Trading in the securities of PCS Technology Limited by an Insider’ (“Rules”). These Rules shall come into force with immediate effect.

2. DEFINITIONS

1) compliance officer

“Compliance officer” means any senior officer, designated so and reporting to the Board of Directors of the Company, who is *financially literate* and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible

for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the company.

[For the purpose of this regulation, “*financially literate*” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows];

2) **Connected person**

Connected Person means any person who is:

- A director of the Company;
- A Key Managerial Personnel of the Company;
- An Officer of the Company;
- Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, allowed access to unpublished price sensitive information (UPSI) or reasonably expected to be allowed access to UPSI;
- Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was directly or indirectly allowed access to UPSI or reasonably expected to be allowed access to UPSI;
- An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI;
- Any person who has a professional or business relationship and that relationship that, directly or indirectly allows access to UPSI or is reasonably expected to allow access to UPSI;

The persons falling within the following categories shall be *deemed to be connected persons* unless the contrary is established, -

- an immediate relative of connected persons
- a holding company or associate company or subsidiary company; or
- an intermediary as specified in section 12 of the Act or An employee or director thereof; or
- an official of a stock exchange or of clearing house or corporation; or

- 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
- 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
- an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- a banker of the company; or
- a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

3) Generally available information

means information that is accessible to the public on a non-discriminatory basis;

4) 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;

5) Insider means any person who is:

- a) a connected person; or
- b) in possession of or having access to unpublished price sensitive information;

6) Promoter

shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, [2018] or any modification thereof;

7) Promoter Group

shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

8) Proposed to be listed

shall include securities of an unlisted company:

- If such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or
- If such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013

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;

10) Takeover Regulations

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

11) Trading

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

12) Trading day

means a day on which the recognized stock exchanges are open for trading;

13) Unpublished price sensitive information (UPSI)

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: –

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- changes in key managerial personnel.

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

3) Prohibition on communicating or procuring UPSI

No insider shall communicate, provide, or allow access to any unpublished price sensitive information (UPSI), relating to a company or securities 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.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

[the term “*legitimate purpose*” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.]

[Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.]

4) Trading when in possession of unpublished price sensitive information.

a) No insider shall trade whether directly or indirectly in the securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information

b) Trade in securities of the Company except when the trading window is open and the insider is not in possession of unpublished price sensitive information

Provided that the restriction in 4(a) shall not apply to –

- (i) the transaction which is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of this regulation and both parties had made a conscious and informed trade decision.
- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of this regulation and both parties had made a conscious and informed trade decision;
- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

(iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

(v) in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information 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 unpublished price sensitive information 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;

(vi) the trades were pursuant to a trading plan.

5) Trading Plans.

(a) An insider shall be entitled to formulate a trading plan 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.

Such trading plan shall:–

- not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- 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;
- entail trading for a period of not less than twelve months;
- not entail overlap of any period for which another trading plan is already in existence;
- 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
- not entail trading in securities for market abuse.

Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.

(b) The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the

implementation of the plan.

[*Provided* that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

[*Provided* further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.]

(c) 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 any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation.

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

(6) Disclosure requirements:

(1) *Initial Disclosures.*

(a) Every promoter, member of the promoter group, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;

(b) Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of the promoter group 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.

(2) *Continual Disclosures.*

(a) Every promoter, member of the promoter group, designated person and director of every 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 ten lakh rupees or such other value as may be specified;

(b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days

of receipt of the disclosure or from becoming aware of such information.

(3) Disclosures by other connected persons.

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

(7) CODES OF FAIR DISCLOSURE AND CONDUCT

Code of Fair Disclosure.

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.

Code of Conduct.

1) The board of directors of the company shall ensure that the chief executive officer or managing director shall formulate a code of conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated person towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.

The Company 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.

The board of directors or such other analogous authority shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:-

- (i) Employees of the company or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
- (ii) Employees of material subsidiaries of the company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
- (iii) All promoters of the Company;

- (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- (v) Any support staff of the company such as IT staff or secretarial staff who have access to unpublished price sensitive information.

(8) Institutional Mechanism for Prevention of Insider trading.

- (1) The Chief Executive Officer, Managing Director or such other analogous person of the company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.
- (2) The internal controls shall include the following:
 - (a). all employees who have access to unpublished price sensitive information are identified as **designated employee**;
 - (b). all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
 - (c). adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
 - (d). lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
 - (e). all other relevant requirements specified under these regulations shall be complied with;
 - (f). periodic process review to evaluate effectiveness of such internal controls.
- (3) The board of directors of every listed company and the board of directors or head(s) of the organisation of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of this regulation
- (4) The Audit Committee of the company shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- (5) Every listed company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate

appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

- (6) The listed company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- (7) If an inquiry has been initiated by a listed company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with such inquiry conducted by listed company.

MISCELLANEOUS

Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors [but not less than once in a year].
2. All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance for legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”.
3. Designated Persons and immediate relatives of designated persons in the organization shall be governed by an internal code of conduct governing dealing in securities.
4. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer 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. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
5. Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

6. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
7. When the trading window is open, trading by designated persons shall be subject to pre- clearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
8. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
9. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.
10. Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed by the company for the contravention of the code of conduct.
11. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes,
 - immediate relatives
 - persons with whom such designated person(s) shares a “Material Financial Relationship”

Mobile numbers which are used by them and in addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

[The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.]

12. Listed entities shall have a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]

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, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP /Directors / Immediate relative to / 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		Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)
1	2	3	4	6	7	8	9	10	11

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

Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature: _____

Designation: _____

Date: _____

Place: _____

FORM B
SEBI (Prohibition of Insider Trading) Regulations, 2015[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a director/KMP/Promoter]

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, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP /Directors / Immediate relative to / Others etc	Securities held as on the date of regulation coming into force		% of Shareholding	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		Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)
1	2	3	4	7	8	9	10	11	12

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

Details of Open Interest (OI) in derivatives of the company 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).

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

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, CIN/DIN, & address with contact nos	Category of Person (Promoters/ KMP / Directors / Immediate relative to / others etc.)	Securities held prior to acquisition / disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

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

Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

FORM D (Indicative format)

**SEBI (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by Other connected persons as identified by the company
Details of trading in securities by other connected persons as identified by the company**

Name, PAN, CIN/DIN, & address with contact	Connect ion with company	Securities held prior to acquisition / disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants , Converti ble Debentur es etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warran ts, Convert ible Debentur es etc.)	No	Valu e	Transact ion Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants , Converti ble Debentur es etc.)	No. and % of sharehold ing	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name:

Signature:

Place:
