

Micro Technologies (India) Limited

Insider Trading Policy

1. Introduction:

Insider trading has been prohibited through legislation in most of the western countries for the last several years. In India there was no regulation governing insider trading until 1992, when Securities and Exchange Board of India (“SEBI”) framed the Insider Trading Regulations. These Regulations have been amended with effect from 20th February, 2002 and are modified from time to time. These regulations are now called the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Hereinafter referred to as ‘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, 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’).

2. Objective

For Micro Technologies (India) Limited investor satisfaction, protection and retention of investor confidence has been a guiding factor. The Company had formulated and adopted its Code of Conduct for Prohibition of Insider Trading to keep proper checks which facilitates prevention of Insider Trading.

This Code has been framed for observance by all persons who fall within the purview of the term ‘Insider’ as defined herein, in their Dealings in the Securities of the Company. Further, persons having business or professional relationship with the Company and who may possess or have access to unpublished Price Sensitive Information of the Company are also required to comply with the provisions of this Code. Adherence to the Code would ensure that persons who have access to or are in possession of certain unpublished Price Sensitive Information of the Company, which could materially affect the market value of the Securities, are restricted from purchasing or selling or otherwise dealing, directly or indirectly, in the Securities while they are in possession of such information. Such persons are also prohibited from communicating or counselling others with respect to the Securities of the Company. Hence, such persons are refrained from profiteering by misusing the unpublished Price Sensitive Information and thereby enabling the Company to retain investor confidence.

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.

3. Definitions

3.1. Close Period means

- a. the period commencing from the date 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;
- b. such other period as may be notified by the Compliance Officer' from time to time under the authority of Executive Director

3.2. 'Compliance Officer' means the Company Secretary of the Company or in his absence for any reason any other Officer as may be designated by the Board;

3.3. 'Connected Persons' means any person who

(i) is a director, of the company, or

(ii) occupies the position as an officer or an employee of the company or 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 that company.

(iii) shall also mean any person who is a connected person six months prior to an act of insider trading;

3.4. 'Dealing in Securities' means an act of subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent and includes exercising of options;

3.5. 'Dependent Family Members' shall mean the employee's spouse, dependent parents and dependent children;

3.6. 'Deemed Connected Persons' means and includes:

1. Any company under the same management or group or any subsidiary of the Company;
2. Relatives and Dependent Family Members of Connected Persons;
3. Bankers of the Company;

4. Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof who has a fiduciary relationship with the Company;
5. Trustees of any trust the beneficiaries of which include any of the Connected Persons;
6. Trustees of any trusts that are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company;
7. Persons having professional or business relationship between themselves and the company, whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information;
8. Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider Trading) Regulations, 2002 as amended till date;

3.7. 'Designated Employee' shall mean:

- Board of Directors
- The Chief Executive Officer, Chief Financial Officer, Chief Technical Officer and Company Secretary.
- All employees in Finance, Accounts and Secretarial functions; and

Such other employees as may be determined by the Managing Directors, from time to time to whom the trading restrictions shall be applicable

3.8. 'Insider' means any person who is or was a 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 a company or who has received or has had access to such unpublished price sensitive information.

3.9. 'Insider Trading' When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading;

3.10. 'Insider' means any person who is or was a 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 a company or who has received or has had access to such unpublished price sensitive information.

3.11. Pre-Clearance of Trade: means prior approval for trading/dealing in securities of the Company.

3.12. 'Price Sensitive Information' any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of Company.

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

1. Periodical financial results of the company;
2. Intended declaration of dividends (both interim and final);
3. Issue of securities or buy-back of securities;
4. Any major expansion plans or execution of new projects;
5. Amalgamation, mergers or takeovers;
6. Disposal of the whole or substantial part of the undertaking;
7. Significant changes in policies, plans or operations of the company.
8. 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. 'Securities' means company's shares, debentures, bonds and other instrument that are traded on any Stock Exchange.

3.14 Substantial Shareholders means any person who holds more than 5% of total number of shares or voting rights in the company.

3.15 "Trading Window" means the period which is not a 'Close Period' for trading or dealing in the Company's Securities.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 2002 or the Securities and Exchange Board of India Act, 1992.

4.Compliance Officer and Reporting Procedure

The Directors of the Company has appointed the Company Secretary as the Compliance Officer for the purposes of this Code.

1. The Compliance Officer shall maintain a record of the Directors and Designated Employees and all changes made in list of the above mentioned persons.
2. The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Directors and Designated Employees for a minimum period of three years.

3. The Compliance Officer shall place before the Executive Director or a Committee Directors on a quarterly basis all the details of dealings in the securities of the Company by Directors and Designated Employees and the accompanying documents that such persons had executed under the pre-clearance procedures as envisaged in item no of the Code.

5. Preservation of "Price Sensitive Information"

Designated Employees, Directors, shall maintain the confidentiality of all Price Sensitive Information. Employees/ directors 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. Following practices should be followed in this regard:

A. Need to Know

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 and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

B. Limited access to confidential information

Any director/ officer/ employee preparing/ circulating any unpublished price sensitive information must notify the following confidentiality caution "PRIVILEGED AND CONFIDENTIAL" on each such information / paper / document / statement.

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

6. Prohibition On Dealing, Communicating Or Counseling On Matters Relating To Insider Trading

No Insider shall-

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;
2. communicate or 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 under any law.

7. Restrictions on Trading

All Directors and Designated Employees shall not trade (i.e buy or sell or deal) in the securities of the Company during the 'close period'.

In case of Employee Stock Options (ESOPs), exercise of options may be allowed during the 'close period'. However, sale of shares allotted on exercise of ESOPs shall not be allowed during the 'close period'.

8. Pre-clearance of trades

Directors and Designated Employees who intend to deal in the securities of the Company exceeding 2000 in number or Rs. 2 lakh in market value of terms, whichever is lower in a financial year, in any manner whatsoever shall apply in the Form prescribed in Appendix 1.1 to the Compliance Officer for pre-clearance of Trade.

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

Such persons shall execute the order for which Pre-Clearance has been obtained within seven working days of such approval. The details of the executed orders shall be communicated to the Compliance Officer within four working days thereof. In case , the person is unable to execute the order within seven working days after the approval, a fresh application for Pre-Clearance (as mentioned above) shall be made.

Pre-Clearance, if any required by the Compliance Officer, shall be obtained from the Executive Director of the Company and above the provisions shall apply accordingly.

9. Minimum Holding Period:

All directors/designated employees 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 directors/designated employees shall also not take positions in derivative transactions in the shares of the company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

10. Reporting Requirements for transactions in securities

10.1 Directors and Designated Employees shall make disclosures to the company as detailed below:

a) An Initial Disclosure of details of shareholding in Form 'B' (Appendix 2.2) within 4 working days of becoming a Director/Designated Employee.

b) An initial disclosure in Form 'B1' (Appendix 2.5) disclosing the total number of shares or voting rights in the Company, held by the dependent family members of Director/ Designated Employee within 4 working days of becoming a Director/Designated Employee.

c) Statement in Form 'D' (Appendix 2.4) reflecting any change in the holdings since the last disclosure where such change exceeds 2000 shares or market value of which exceeds Rs. 5 lakhs or 1% of total shareholding or voting rights, whichever is lower, within 2 days from:

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.

d) Quarterly Disclosure in Form 'QD' (Appendix 2.6) furnishing details of Dealings in Securities, if any, during the quarter and the total number of shares or voting rights held, by them and the dependent family members within 4 working days of the end of each calendar quarter.

e) Statement in Form 'AD' (Appendix 2.7) disclosing the total number of shares or voting rights held as at the end of the financial year of the Company, within 30 days from the end of financial year.

f) Application for Pre- Clearance of Trade (Appendix 1.1) for Dealing in the Securities of the Company along with Form 'PC'(Appendix 1.2) disclosing the holdings at the time of pre-clearance of a deal.

10.2 All others, excluding those mentioned in clause 8.1 of the Code, shall make disclosures to the Company as detailed below:

a. Initial Disclosures 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 of the Company.

b. 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 2 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 of the Company.

11. Penalty/Punishment for Contravention of Code

11.1 Any Director or Designated Employee 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 penalized with an amount as may be decided by the Shareholder's /Investor Grievance Committee of Directors and shall also be liable to be subject to such disciplinary action as may be considered appropriate by the Executive Director/ Shareholder's / Investor's Grievance Committee of Directors of the Company.

11.2 Under Section 15 G 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 the 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 transactions in Securities as null and void.

12. Intimation to SEBI

In case the Compliance Officer and/or the Company observes that there has been willful 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 1

APPLICATION FOR PRE-CLEARANCE OF TRADE

(For Director/Designated Employee)

Date : _____

The Compliance Officer
Micro Technologies (India) Limited.
46-C,
Electronic Sadan No 1,
Mahape,
Navi Mumbai – 400 705

From: Name:

Designation/Grade
Employee No:

With reference to the Code for prohibition of Insider Trading of Micro Technologies (India) Limited, I seek your approval to purchase/sell _____ (nos) equity shares or a value exceeding Rs. 3,00,000/- by Rs _____ * of the Company.

Dear Sir,

Sub. : Application for Pre-Clearance of Trade to be executed

The statement of shareholding in 'Form PC' as on _____ (date) is enclosed.

As required by the Code for prohibition of Insider Trading of the Company, I hereby state that

- a) 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;
- b) 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 deal for which approval is sought, I shall inform the Compliance officer of the same and shall completely refrain from Dealing in securities of the Company until such information becomes public;

- c) 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.
- d) I have made full and true disclosure in the matter
- e) If approved, I shall execute the Dealing in Securities of the Company within one week after the approval of Pre-Clearance of Trade is given. If the order is not executed within one week after the approval is given , I undertake to obtain Pre-Clearance of Trade for the Dealing in the Securities again.

Signature

Date:

Pre-Clearance Order

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

Date:

For **Micro Technologies (India) 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.

Signature:

Date:

* Any other Securities may be specified by the Company.

UNDERTAKING

I, _____ S/o Mr. _____

aged ____ years, residing at _____ do

hereby undertake that the following information submitted by me to Micro Technologies (India) Limited, having its registered office at 46-C, Electronic Sadan No 1, Mahape, Navi Mumbai – 400 705 is true and correct :

1. That I do not have any access to or have not received any “price sensitive information” upto the time of signing this undertaking.
2. That in case I receive or have access to any “price sensitive information” after signing the undertaking but before the execution of the transaction which I intend to do, as disclosed in my Application for Pre-Clearance of Trade (“the Application”), I shall refrain from dealing in shares of the Company till such information becomes public and shall necessarily inform the Compliance Officer of the Company, of the same.
3. That I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company.
4. I undertake that the transaction stated in the application shall be executed within one week from the date of pre-clearance by the Company, and if the same is not executed within a week, I shall seek a fresh pre-clearance of the transaction.
5. I undertake that in case of purchase of shares of the Company, the same shall be held by me for investment purposes.
6. That the disclosure made by me in this regard, is full and true.

Signature : _____

Name : _____

Date : _____

FORM A

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

[Regulations 13 (1) and (6)]

Name and address of shareholder with telephone number	Shareholding prior to acquisition	No & % 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 member through whom the trade was executed with SEBI Registration No. of the Trading Member	Exchange on which trade was executed	Buy Quantity	Buy Value	DP ID

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

Note: To be submitted within 4 working days of acquiring more than 5% shareholding or voting rights in the Company as per clause 8.2 of the Code.

FORM B

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

[Regulations 13 (2) and (6)]**Regulation 13(1)- Details of acquisition of shares held by Director/Designated Employee of the Company**

Note: To be submitted within 4 working days of acquiring more than 5% shareholding or voting rights in the Company

Name and address of Director/Designated Employee	Date of assuming office of Director/Designated Employee	Date of intimation to the Company	Mode of acquisition (market purchase/public/rights/preferential offer etc.)	Date of intimation to Company	Mode of acquisition (market purchase/public/rights/preferential offer etc.)	Trading member through whom the trade was executed with SEBI Registration No. of the Trading Member	Exchange on which trade was executed	Buy Quantity	Buy Value	DP ID	Folio /Client ID

FORM C

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

[Regulations 13 (3) and (6)]

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

Note: To be submitted within 2 working days of change in shareholding or voting rights
in the Company

Shareholding or to acquisition/s	No & % 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/pre ferential offer etc.)	No .& % of shares/v oting rights post- acquisti on /sale	Trading member through whom the trade was executed with SEBI Registrati on No. of the Trading Member	Excha nge on which trade was execu ted	Buy Quantity	Buy Value	Sell Quantity	Sell Value	D IL

FORM D

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

[Regulations 13 (4) and (6)]

**Regulation 13(4)- Details of change in shareholding of Director/Designated
Employee of the Company in respect of**

& % of Shares/ Voting Rights held by the Director / Designated Employee	Date of Receipt of allotment advice/ac- quisition /sale of shares/v oting rights	Date of intima- tion to the com- pany	Mode of acqui- sition (mark- et purcha- se/pub- lic/rig- hts/pre- ferenti- al offer etc.)	No. & % of shares/votin- g rights post- acquisition /sale	Trading member through whom the trade was executed with SEBI Registrati- on No. of the Trading Member	Exchange on which trade was executed	Buy Quant- ity	Buy Value	Sell Qua- ntity	Sell Value	DP ID	Folio No. /Clien- t ID

Note: To be submitted within 2 working days of change in shareholding or voting rights
in the Company as per Clause 8.2 of the code.

Appendix 2.5

FORM B 1

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

INITIAL DISCLOSURE

To
The Compliance Officer
Micro Technologies (India) Limited
Navi Mumbai

Application date of Form B: _____

Application date of Form B1: _____

Name:

Designation/Grade:

Employee No:

Details of shares held by Dependent Family Members of Director/Designated Employee

Name of the dependent family member	Relationship	Mode of acquisition (market purchase/public/rights/preferential offer)	Trading member through whom the trade was executed with SEBI Registration	Exchange on which trade was executed	Buy Quantity	Buy Value	Sell Quantity	Sell Value	DP ID	Folio No./Client ID	Folio/Client ID

Signature:

Note: To be submitted within 4 working days of becoming Director/Designated Employee as per clause 8.1 of the Code.

Appendix 2.6

FORM QD

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

QUARTERLY DISCLOSURE

To
The Compliance Officer
Micro Technologies (India) Limited
Mumbai

Date of Form

B: _____

Periodic Statement of shareholdings of Director/Designated Employee

Name	Designation /Grade	Employee No	No. of shares held at the beginning of the quarter	No of Shares bought during the quarter	No of Shares sold during the quarter	No of Shares held at the close of the quarter

Details of shares held by Dependent Family Members

Name of the Dependent Family Member	Relationship	No. of shares held at the beginning of the quarter	No of Shares bought during the quarter	No of Shares sold during the quarter	No of Shares held at the close of the quarter
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I declare that I have complied with the requirement of the minimum holding period of 30 days with respect to shares sold

Signature:

FORM AD

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

QUARTERLY DISCLOSURE

To
The Compliance Officer
Micro Technologies (India) Limited
Navi Mumbai

Date: _____

Statement of shareholdings of Director/Designated Employee

Name	Designation /Grade	Employee No	No. of shares held on 01 st April _____ (beginning of the year)	No of Shares bought during the quarter	No of Shares sold during the quarter	No of Shares held on 31 st March (end of the year)
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I declare that I have complied with the requirement of the minimum holding period of 30 days with respect to shares sold

Signature:

Details of shares held by Dependent Family Members

Name of the Dependent Family Member	Relationship	No. of shares held on 01 st April _____ (beginning of the year)	No of Shares bought during the quarter	No of Shares sold during the year	No of Shares held on 31 st March (end of the year)
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