



# DYNAMIC INDUSTRIES LIMITED

(A Govt. Recognised Export House)

Manufacturers & Exporters of Dyes, Pigments & Dye Intermediates

Regd. Office : Plot No. 5501/2, Phase III,  
Nr. Trikampura Cross Road, G.I.D.C.,  
Vatva, Ahmedabad - 382 445. Gujarat (INDIA)  
Tel. : 91-79-2589 7221-22-23  
Fax : 91-79-2583 4292, 2589 7232  
E-mail : admin@dynaind.com  
CIN : L24110GJ1989PLC011989

Factory : Plot No. 125, Phase I,  
G.I.D.C. Estate, Vatva,  
Ahmedabad - 382 445. Gujarat (INDIA)  
Tel. : 91-79-2583 3835, 2589 1835  
Fax : 91-79-2589 1735  
Our Website : www.dynaind.com



DIL/BSEL/15/06/1

11<sup>th</sup> June, 2015

To,  
The General Manager,  
Listing Department,  
Bombay Stock Exchange Limited,  
Rotunda Bldg., P.J. Towers,  
Dalal Street, Fort,  
Mumbai - 400001

**Sub : Submission of Insider Trading Code of the Company in compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015  
COMPANY CODE NO. : 524818**

Dear Sir,


With reference to the above-mentioned subject, we wish to inform you that the Board of Directors of the Company have approved Insider Trading Code of the Company in compliance of SEBI (Prohibition of Insider Trading) Regulation, 2015.

A copy of the said Insider Trading Code of the company is enclosed herewith.

We request you to take the same on your records.

Thanking you.

Yours faithfully,  
**FOR DYNAMIC INDUSTRIES LTD.,**

  
( DEEPAK N. CHOKSHI )  
DIRECTOR

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION**  
[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

The Board of Directors may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

Subsequent modification(s), amendments(s) to SEBI (Prevention of Insider Trading) Regulations, 2015 shall automatically apply to this code.



# **Code of Conduct for the Board of Directors and the Senior Management Personnel for Internal Procedure**

## **1. Overview**

### **1.1 Preamble**

This Code of Conduct for the Board of Directors and the Senior Management Personnel (hereinafter referred to as "the Code") has been framed and adopted by Dynamic Industries Limited (hereinafter referred to as "the Company ") in compliance with the provisions of Clause 49 (revised) of the Listing Agreement entered into by the Company with the Stock Exchanges.

### **1.2 Objective of Code**

This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and emphasis upon the ethical behavior and to develop a culture of honesty and accountability.

This Code of Conduct attempts to set forth the guiding principles on which the Company and its Board and Senior Management shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected.

This code is being adopted in letter and spirit to guide our transactions with our colleagues, customers, governments, investors, regulators and society at large.

### **1.3 Definitions**

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

**"Act"** means the Securities and Exchange Board of India Act, 1992.

**"Board/Directors"** shall mean the Board of Directors of the Company.

**"Code" or "Code of Conduct"** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Dynamic Industries Limited as amended from time to time.

**"Company"** shall mean Dynamic Industries Limited.



**“Conflict of Interest”** means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.

**Designated Employee(s)** shall include:

- i. Managing Director/Whole Time Director;
- ii. Key Managerial Personnel;
- iii. Head of the Departments;
- iv. every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- v. any other employee as may be determined and informed by the Compliance Officer from time to time.

**“Executive Directors/Whole time Directors”** shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.

**“Independent Directors”** shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing agreement (as revised from time to time)

**“Non - Executive Directors”** shall mean the Directors who are not in whole time employment of the Company.

**“Senior Management Personnel”** shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this shall comprise all members of management one level below the Executive Directors, including all functional heads and all employees at Vice President Position and above.

**“Officers”** shall collectively refer to the board members and the senior management personnel.

**“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

#### **1.4 Applicability**

This Code shall be applicable and binding to the Board of Directors and the Senior Management Personnel of the Company. The Directors and Senior Management Personnel should continue to comply with other applicable / to be applicable policies, rules and procedures of the Company.

All Key Personnel shall sign the acknowledgment form annexed to this Code in Annexure 1 and return the same to the Company Secretary indicating that they have received, read, understood, and agree to comply with the Code.



In case of any clarifications or suggestion the Key Personnel is requested to contact the Company Secretary. The signed acknowledgment form will be located in their personnel file. Each year as part of your annual review the key personnel will be asked to sign an acknowledgment indicating their continued understanding of the Code.

## **2. Principles of the Code**

The Board of Directors and the Senior Management Personnel of the Company shall act within the authority conferred upon them, in the best interests of the Company and observe the following:

### **2.1 Conduct**

1. The Board of Directors and the Senior Management Personnel shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfill their fiduciary obligations.
2. While carrying out the duties, the Board of Directors and the Senior Management Personnel shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors or Committee of Directors of the Company, from time to time.
3. The Board of Directors and the Senior Management Personnel shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business except accepting a gift or entertainment if warranted by the accepted ethical customs and practices.
4. The Board of Directors and the Senior Management Personnel shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.
5. The Board of Directors and the Senior Management Personnel shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
6. The Board of Directors and the Senior Management Personnel shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.
7. The Board of Directors and the Senior Management Personnel shall maintain confidentiality of the information that is entrusted upon them for carrying on their respective responsibilities and duties and shall not use the same for personal benefits or gains.



## 2.2 Compliance

1. The Board of Directors and the Senior Management Personnel shall ensure compliance of various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.
2. The Board of Directors and the Senior Management Personnel shall report concerns about unethical behavior, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company and vigil mechanism for Directors and employees of the Company.
3. The Board of Directors and the Senior Management Personnel shall comply with all laws, rules, and regulations governing trading in the shares of the Company and the Company's Code of Conduct for Prevention of Insider Trading in dealing with the securities of the Company which, inter-alia, prohibits buying or selling of the Company's securities on the basis of any unpublished price sensitive information and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain.
4. Any transaction falling under the definition of related party transactions as per the provisions of the Companies Act, 2013 and the Listing Agreement and as detailed in the Related Party Transaction Policy of the Company must be entered into by the Director or the Senior Management Personnel only after obtaining prior approval of the Board or any Committee thereof.

## 2.3 Conflict of Interests

1. The Board of Directors and the Senior Management Personnel shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved.
2. The Board of Directors and the Senior Management Personnel shall not take up any position or engagement that may be prejudicial to the interest of the Company.
3. The Executive Director(s) and the Senior Management Personnel shall not take up any outside employment.

## 3. Duties of the Directors of the Company

The Companies Act, 2013 significantly specifies certain duties and responsibilities of the Directors of the Company. While the list of duties as per the provisions of the Act, has been enumerated below, it should however, by no means be considered to be exhaustive:



1. The Directors shall devote sufficient time and attention to professional obligations for informed and balanced decision making.
2. The Directors shall act in accordance with the articles of association of the company and in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, and the community and for the protection of environment.
3. The Directors shall have a clear understanding of the aims and objectives, capabilities and capacity and various policies of the Company.
4. The Directors shall exercise their duties with due and reasonable care, skill and diligence.
5. The Directors shall be required to intimate the change in the directorships held within thirty days of such change.
6. The Directors shall bring an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct and an objective view in the evaluation of the performance of the Board and the Management.
7. The Directors shall ensure that the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
8. The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice.
9. The Directors shall strive to attend and participate constructively & actively, in all general meetings, meetings of the Board and its committees of which they are Chairman or member.
10. The Directors shall not assign his office of director of the company to another person.
11. The Directors shall ensure that adequate deliberations are held before approving related party transactions and shall assure themselves that the same are in the best interest of the company.

#### **4. Code for Independent Directors specifying their Duties**

A guide to professional conduct for Independent Directors is separately specified under the Companies Act, 2013, in Schedule IV – “Code for Independent Directors”, which lays down the guidelines of professional conduct for Independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is appended as follow.

##### **I. Guidelines of professional conduct:**

An independent director shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) Act objectively and constructively while exercising his duties;
- (3) Exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;



- (5) Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) Refrain from any action that would lead to loss of his independence;
- (8) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) Assist the company in implementing the best corporate governance practices.

## II. **Role and functions:**

The independent directors shall:

- (1) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) Bring an objective view in the evaluation of the performance of board and management;
- (3) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) Balance the conflicting interest of the stakeholders;
- (7) Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## III. **Duties:**

The independent directors shall—

- (1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) Strive to attend the general meetings of the company;
- (6) Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;





- (7) Keep themselves well informed about the company and the external environment in which it operates;
- (8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out :
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) The list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.



## **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

## **VI. Resignation or Removal:**

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of

such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent-directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

## **VII. Separate Meetings:**

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

(a) Review the performance of non-independent directors and the Board as a whole;

(b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **VIII. Evaluation mechanism:**

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

## **5. Amendment to the Code**

The provisions of this Code can be amended or modified by the Board of Directors from time to time and all such amendments/modifications shall take effect from the date stated therein.

## **6. Penalty for contravention of the code of conduct**



6.1 Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

6.2 Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.

6.3 Specified Persons who violate the Code 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.

#### **7. Affirmation of Compliance with the Code**

All the Board Members and the Senior Management Personnel shall affirm compliance with this Code within 30 days from the close of every financial year. Report shall be forwarded to the Compliance Officer of the Company.

#### **8. Publication of the Code**

This Code and any amendments thereto shall be published / posted on the website of the Company i.e. [www.dynaind.com](http://www.dynaind.com)



**Annexure 1** to the Code of Conduct and Ethics for the Board of Directors ('BOD' or 'the Board') and Senior Management

To,  
The Company Secretary,  
Dynamic Industries Limited

Sub: Confirmation of Compliance of the Code of Conduct of Dynamic Industries Limited

I, \_\_\_\_\_ ( Name) being a member of the Board of Directors / Senior Management of ("the Company") hereby acknowledge, confirm and certify that :

- i. I am aware of the Code of Conduct and Ethics for Directors and Senior Management of the Company;
- ii. The said Code has been and is applicable to my functions as a member of the Board of Directors / Senior Management of the Company;
- iii. During the financial year \_\_\_\_\_, I have complied with the provisions of the said Code;
- iv. I am not aware of any non-compliance with the said Code;
- v. If I have questions concerning the meaning or application of the Code I know I can consult the Company Secretary knowing that my questions or reports to these sources will be maintained in confidence.

Signed:

Name:

Designation:

Date:

Please sign this form and return to the Company Secretary.

Signature: \_\_\_\_\_



## Dynamic Industries Limited

### Code of Conduct for Prohibition of Insider Trading in dealing with the Securities

#### 1. Overview

##### 1.1 Definitions

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

**"Act"** means the Securities and Exchange Board of India Act, 1992.

**"Board/Directors"** shall mean the Board of Directors of the Company.

**"Code" or "Code of Conduct"** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Dynamic Industries Limited as amended from time to time.

**"Company"** shall mean Dynamic Industries Limited.

**"Compliance Officer"** means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and Regulatory compliance under these regulations designated so and reporting to the Board of Directors 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.

**Designated Employee(s)** shall include:

- i. Managing Director/Whole Time Director;
- ii. Key Managerial Personnel;
- iii. Head of the Departments;
- iv. every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- v. any other employee as may be determined and informed by the Compliance Officer from time to time.

**"Executive Directors/Whole time Directors"** shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.



**"Independent Directors"** shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing agreement (as revised from time to time)

**"Non - Executive Directors"** shall mean the Directors who are not in whole time employment of the Company.

**"Senior Management Personnel"** shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this shall comprise all members of management one level below the Executive Directors, including all functional heads and all employees at Vice President Position and above.

**"Officers"** shall collectively refer to the board members and the senior management personnel.

**"Connected Person"** means:

(i) Any person who is or has during the six months prior to the concerned act been associated with a company" directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position Including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,

- (a) an immediate relative of connected persons; or
- (b) a holding company or associate company or subsidiary company; or
- (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- (d) an investment company, trustee company, asset management company or an employee or director thereof; or
- (e) an official of a stock exchange or of clearing house or corporation; or
- (f) 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
- (g) 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
- (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- (i) a banker of the Company; or
- (j) a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

**"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.

**"Insider"** means any person who,

- i. a connected person; or
- ii. in possession of or having access to unpublished price sensitive information.

**"Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

**"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.

**"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**"Unpublished Price Sensitive Information"** 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:

- I. Financial results;
- II. Dividends;
- III. Change in capital structure;
- IV. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- V. Changes in key managerial personnel; and
- VI. Material events in accordance with the listing agreement

## 1.2 Applicability

The code of Conduct for Prohibition of Insider Trading in dealing with the Securities of Dynamic Industries Limited shall apply to all "insiders" defined as above including Connected Person and Designated Partners.

## 2. Role of Compliance Officer

2.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.



2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

### **3. Amendment to the Code**

The provisions of this Code can be amended or modified by the Board of Directors from time to time and all such amendments/modifications shall take effect from the date stated therein.

### **4. Prevention of "Price Sensitive Information"**

4.1 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

#### **4.2 Need to Know:**

"need to know" basis means that Unpublished 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 the information.

#### **4.3 Limited access to confidential information**





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

## **5. Prevention of misuse of "Unpublished Price Sensitive Information"**

Employees and connected persons designated on the basis of their functional role ("designated persons") in the Company shall be governed by an internal code of conduct governing dealing in securities.

### **5.1 Trading Plan**

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

### **5.2 Trading Plan shall:**

- (i) Not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) 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;
- (iii) Entail trading for a period of not less than twelve months;
- (iv) Not entail overlap of any period for which another trading plan is already in existence;
- (v) 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
- (vi) Not entail trading in securities for market abuse.

5.3 The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

5.4 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 at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.



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

## **6. Trading Window and Window Closure**

- 6.1 (i) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.
- (ii) Trading window shall remain closed 7 days prior to and during the period unpublished price sensitive information is published or of happening of certain events such as announcement of financial results, declaration of dividends and any other important event, due to nay decision taken by the company or by the Board of Directors which may have effect on the share price.
- (iii) When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such period.
- (iv) All Specified Persons 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, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

6.2 The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he 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.

6.3 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming genterally available and being capable of assimilation by the market, shall decide the timing for reopening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

6.4 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

## **7. Pre-clearance of trades**

All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is above 10,000 shares or up to Rs. 10 Lakhs (market value) or 1% of total shareholding, whichever is less, during a 30 days period (either in one transaction or a series of transaction) should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading



window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Specified Employee intends to deal in, the details as to the depository with which he has a security account, the 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.
- (ii) An undertaking (Annexure 2) shall be executed in favour of the Company by such Specified Employee incorporating, *inter alia*, the following clauses, as may be applicable:
  - (a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
  - (b) That in case the Specified Employee has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - (d) That he/she has made a full and true-disclosure in the matter.
- (iii) All Specified Persons and their shall execute their order in respect of securities of the Company within one week after the approval of preclearance is given. The Specified Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form (Annexure 3). In case the transaction is not undertaken, a report to that effect shall be filed. (Annexure 4).
- (iv) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.
- (v) All Specified Persons 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 Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

In 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.

(vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.



## **8. Other Restrictions**

8.1. The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

8.2 The disclosures made under this Code shall be maintained for a period of five years.

## **9. Reporting Requirements for transactions in securities**

### **Initial Disclosure**

9.1 Every promoter/ Key Managerial Personnel/Director / Officers / Designated Employees of the Company, within thirty days of these regulations taking effect i.e. by June 15, 2015, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form (Annexure 5).

9.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter 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.

### **Continual Disclosure**

9.3 Every promoter, employee and director of the Company shall disclose to the Company in Annexure- 6. 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 Rs. Ten lakhs.

The disclosure shall be made within 2 working days of:

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

### **Disclosures by other Connected Persons:**

Dynamic Industries Ltd may, at its discretion require any other Connected Persons 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.



All Directors / Designated employees of the listed company shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the company) to the Compliance Officer.

- A) All holdings in securities of that company by Directors / Designated employees at the time of joining of the company ;
- B) Annual Statement of all holdings in securities.

The Compliance Officer shall maintain the records of all the declarations in the appropriate form given by Directors / Designated employees for a minimum period of five years.

The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of Audit Committee, if any, or to the Chairman of the Board of Directors at every Board Meeting, all the details of the dealing in the securities by Directors / Designated employees of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

## **10. Disclosure by the Company to the Stock Exchange(s)**

10.1 Within 2 days of the receipt of intimation under Clause 9.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

10.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

## **11. Dissemination of Price Sensitive Information**

11.1 No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

11.2 Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

## **12. Penalty for contravention of the code of conduct**



12.1 Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

12.2 Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.

12.3 Specified Persons who violate the Code 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.

12.4 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **13. Affirmation of Compliance with the Code**

All the Board Members and the Senior Management Personnel shall affirm compliance with this Code within 30 days from the close of every financial year. Report shall be forwarded to the Compliance Officer of the Company.

### **14. Publication of the Code**

This Code and any amendments thereto shall be published / posted on the website of the Company i.e. [www.dynaind.com](http://www.dynaind.com)

### **15. Disclosure to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015**

In case it is observed by Company/ Compliance Officer that there has been violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 , SEBI shall be informed by the Company.



**ANNEXURE-1**

**SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL**

Date:

To,

The Compliance Officer,  
DYNAMIC INDUSTRIES LIMITED,  
Ahmedabad

Dear Sir/Madam,

**Application for Pre-dealing approval in securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase/ sale/ subscription of -----equity shares of the Company as per details given below:

|     |   |  |
|-----|---|--|
| 1.  | Name of the applicant   |  |
| 2.  | Designation   |  |
| 3.  | Number of securities held as on date  |  |
| 4.  | Folio No. / DP ID / Client ID No.)  |  |
| 5.  | The proposal is for   | (a) Purchase of securities<br>(b) Subscription to securities<br>(c) Sale of securities |
| 6.  | Proposed date of dealing in securities  |  |
| 7.  | Last date when transaction for sale/ purchase/ subscription was entered into        |  |
| 8.  | Estimated number of securities proposed to be                                       |  |
| 9.  | Price at which the transaction is proposed  |  |
| 10. | Current market price (as on date of----)  |  |
| 11. | Whether the proposed transaction will be  |  |
| 12. | Folio No. / DP ID / Client ID No.<br>where the securities would be credited/debited |  |

I enclose herewith the form of Undertaking signed by me.

Yours faithfully.(Signature of Employee)



**ANNEXURE-2**  
**FORMAT OF UNDERTAKING TO BE ACCOMPANIED**  
**WITH THE APPLICATION FOR PRE-CLEARANCE**

**UNDERTAKING**

To,  
DYNAMIC INDUSTRIES LIMITED,  
Ahmedabad

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_ am desirous of dealing in \_\_\_\_\_ \* shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

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.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction/ a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Signature:

Date:

\* Indicate number of shares





**ANNEXURE 3**  
**FORMAT FOR PRE- CLEARANCE ORDER**

To,  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Place: \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (nos) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before] date) that is within 7 days from today.

In case you do not execute the approved transaction Ideal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yoursfaithfully,  
**For DYNAMIC INDUSTRIES LIMITED,**

Compliance Officer  
Date:



**ANNEXURE - 4**

**FORMAT FOR DISCLOSURE OF TRANSACTIONS**

*(To be submitted within 2 days of transaction / dealing in securities of the Company)*

To,

The Compliance Officer,  
DYNAMIC INDUSTRIES LIMITED,  
Ahmedabad

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (date)

| Name of holder | No. of securities dealt with | Bought/ sold/ subscribed | DP ID/Client ID / Folio No | Price (Rs.) |
|----------------|------------------------------|--------------------------|----------------------------|-------------|
|                |                              |                          |                            |             |
|                |                              |                          |                            |             |

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 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. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. *(applicable in case of purchase / subscription).*

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

Date: \_\_\_\_\_

\_\_\_\_\_

Signature:

Name:

Designation:



## ANNEXURE 5

### FORMAT FOR INITIAL DISCLOSURE OF SECURITIES

The Compliance Officer,  
DYNAMIC INDUSTRIES LIMITED,  
Ahmedabad

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on \_\_\_\_\_ (date of becoming Specified Person).

#### I. Details of securities held by me:

| Type of Securities | No. of securities held | Folio No | Beneficiary A/C Client ID |
|--------------------|------------------------|----------|---------------------------|
|                    |                        |          |                           |

#### II. Details of dependent(s):

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Procedures and Conduct for Prevention of Insider Trading, I hereby declare that I have the following dependents:

| SI.No. | Name of the dependent | Relation with Director / Officer / Designated Employee |
|--------|-----------------------|--|
|        |                       |  |
|        |                       |  |
|        |                       |  |

#### III. Details of securities held by dependent(s):

| Name of Relative | Relationship | Type of securities | No. of Securities held | Folio No | Beneficiary A/c Client ID |
|------------------|--------------|--------------------|------------------------|----------|---------------------------|
|                  |              |                    |                        |          |                           |

Date: \_\_\_\_\_

Signature: \_\_\_\_\_



**ANNEXURE - 6**

**DISCLOSURE OF CHANGE IN SHAREHOLDING**

The Compliance Officer,  
DYNAMIC INDUSTRIES LIMITED,  
Ahmedabad

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of change in holding of securities of the Company:

| Name, PAN No. & address of shareholder | No. of securities held before the transaction | Receipt of allotment advice/ acquisition of /sale of securities | Nature of transaction & quantity |      |        | Trading member through whom the trade was executed with SEBI Registration No .of the TM | Exchange on which the trade was executed. |
|--|---|---|----------------------------------|------|--------|---|---|
|  |   |   | Purchase                         | Sale | Others |   |   |
|  |   |   |                                  |      |        |   |   |

Details of change in securities held by dependent family members:

| Name, PAN No. & address of shareholder and relationship | No. of securities held before the transaction | Receipt of allotment advice/ acquisition of /sale of securities | Nature of transaction & quantity |      |        | Trading member through whom the trade was executed with SEBI Registration No .of the TM | Exchange on which the trade was executed. |
|---|---|---|----------------------------------|------|--------|---|---|
|   |   |   | Purchase                         | Sale | Others |   |   |
|   |   |   |                                  |      |        |   |   |

I/We declare that I/We have complied with the requirement of the minimum holding period of six months with respect to the securities purchased/sold.

I hereby declare that the above details are true, correct and complete in all respects.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

