



SPA

THE FINANCIAL ADVISORS

Code of Conduct

for

prevention of

Insider Trading

SECTION A: GENERAL

I. INTRODUCTION

In terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 a listed company / market intermediary is required, inter alia, to frame a Code of Conduct for prevention of insider trading by its Directors, Officer and Employees. SPA Capital Services Limited, being listed at The Delhi Stock Exchange Association Limited and also providing investment and financial advisory services to its clients and SPA Securities Limited and SPA Merchant Bankers Limited, being SEBI registered market intermediaries are required to frame a “Code of Conduct for prevention of Insider Trading”.

II. DEFINITIONS

- (a) “**Act**” means the Securities and Exchange Board of India Act, 1992.
- (b) “**Clients**” refers to an entity to which any of the Companies falling under the “SPA Group” is providing any service and the securities of such entity are listed on any recognized stock exchange.
- (c) “**Code**” means this “Code of Conduct for prevention of Insider Trading”, framed and adopted in terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- (d) “**Compliance officer**” shall be a senior level employee, appointed by the respective Company for the purpose of administration, implementation and over all supervision of the Code of Conduct.
- (e) “**Employees**” mean and include the employees / officers / directors of the Companies referred to as Company A, B, C, D or E or forming part of SPA Group.
- (f) “**Price Sensitive Information**” means 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:

- (I) periodical financial results of the company;
- (II) intended declaration of dividends (both interim and final);
- (III) issue of securities or buy-back of securities;
- (IV) any major expansion plans or execution of new projects;
- (V) amalgamation, mergers or takeovers;
- (VI) disposal of the whole or substantial part of the undertaking; and
- (VII) significant changes in policies, plans or operations of the company.

- (g) **“Regulation”** means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- (h) **“Company A”** means **“SPA Capital Services Limited”**, the Company listed on Delhi Stock Exchange for the time being.
- (i) **“Company B”** means **“SPA Securities Limited”**, the Company registered with SEBI as Stock Broker and having corporate membership of NSE & BSE for the time being.
- (j) **“Company C”** means **“SPA Merchant Bankers Limited”**, the Company registered with SEBI as Category I Merchant Banker for the time being.
- (k) **“Company D”** means **“SPA ComTrade Private Limited”**, the Company having trading cum clearing membership of NCDEX for the time being.
- (l) **“Company E”** means **“SPA Insurance Broking Services Limited”**, the Company registered with IRDA as Direct Insurance Broker for the time being.
- (m) **“SPA Group”** is referred to all the Companies formed and promoted by, or the promoters of, SPA Capital Services Limited, including Company A, B, C, D and E supra.

III. INTERPRETATION OF CERTAIN WORDS AND EXPRESSIONS

Words and expressions used and not defined in this Code of Conduct but defined in the Companies Act, 1956 or Securities and Exchange Board of India Act, 1992 or Depositories Act, 1996 or any Rules or Regulations made thereunder, shall have the same meanings respectively assigned to them in that Acts / Rules / Regulations.

IV. PRESERVATION OF PRICE SENSITIVE INFORMATION

All Directors / Officers / Employees shall maintain the confidentiality of any Price Sensitive Information, whether in related to Company A or any of the clients. Directors / Officers / Employees shall neither deal in securities of Company A and / or such clients nor pass such price sensitive information to any person directly or indirectly by way of making a recommendation for purchase or sale of securities.

However such information may be disclosed only on “need to know” basis, i.e. to such employees who need the information to discharge their duty.

V. OVERVIEW OF THE CODE OF CONDUCT

- No employee of SPA Group shall carry out intra day trade / square off his outstanding position in the secondary market. He shall execute only delivery based trades.

- Every employee shall hold the securities purchased / subscribed for atleast 30 days.
- If an employee intends to enter into a transaction for number of securities exceeding the limits specified in Section D, then he should obtain pre-clearance of the trade from the Compliance Officer.

SECTION B: PROHIBITION TO DEAL IN SECURITIES

VI. PROHIBITION TO BUY / SELL / OTHERWISE DEAL IN THE SECURITIES OF SPA CAPITAL SERVICES LIMITED OR IN THE SECURITIES OF CLIENTS

A. *Any Employee, when in possession of any unpublished price sensitive information, pertaining to Company A or any of the clients of Company falling under SPA Group, shall not:*

- *Buy / sell / deal in securities of Company A or any of the clients of Companies falling under SPA Group, either on their own behalf or on behalf of any other person.*
- *Communicate, counsel or procure any unpublished price sensitive information to any person.*

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

B. *An analyst who prepare research report of a listed company shall not undertake any trade in securities of that company for 30 days from preparation of such report.*

C. *Any employee of Company B, who is a dealer / engaged in trading on behalf of the clients, shall not deal in securities of any Company.*

VII. RESTRICTED / GREY LIST OF SECURITIES

- (i) *Where any Company in SPA Group is handling any assignment for a listed Company (to say restructuring, financial advisory services, preparation of an appraisal report or enterprise / share valuation, loan syndication, etc), and is privy of Price Sensitive Information, the securities of such Company shall be put on the restricted / grey list.*
- (ii) *Where Company C is appointed as Book Running Lead Manager / Lead Manager to an Initial Public Offering / Follow on Offer / Rights Issue or involved in Qualified Institutional Placement or acting as Manager to Open Offer, Buy-back, Delisting or Company B is acting as Syndicate Member / Underwriter, the securities of such company shall also be put on the restricted / grey list.*

Companies which will be covered under the restricted / grey list will be notified on regular basis through internal memos and will be updated in the schedule to this Code.

SECTION C: DEALING IN SECURITIES OF SPA CAPITAL SERVICES LIMITED

VIII. ELIGIBLE TRADING PERIOD

- A. Employees / Directors shall deal in securities of Company A only during the eligible trading period specified herein this Code as "Trading Window". No transaction shall be executed during the period when trading window is closed.
- B. The Trading Window shall remain closed during the following periods:
- (i) From 7 days before the announcement of quarterly / half yearly / annual financial results (whether audited or unaudited) to the Stock Exchanges.
 - (ii) From 7 days before the declaration of Interim / Final Dividend.
 - (iii) The Trading Window shall remain closed under clause (i) and (ii) supra, upto 24 hours after the announcement of the financial results / declaration of dividend.
 - (iv) From the date of circulation of the agenda for the meeting of the Board of Directors, in which any material, price sensitive and unpublished event, including the following, are proposed:
 - Proposal in respect of issue of securities by way of public / rights / bonus, etc
 - Proposal in respect of significant expansion plans or execution of new projects
 - Proposal in respect of amalgamation, mergers, takeovers and buy back
 - Proposal in respect of disposal of whole or substantially the whole of the undertaking
 - Proposal in respect of any change in policies, plans or operations of the Comapny

The Trading Window shall open after 24 hours from the conclusion of the Board meeting at which decisions in respect of the above events are taken. The Compliance Officer shall intimate the period of closing and opening of the Trading Window.

SECTION D: PRE-CLEARANCE, EXECUTION AND REPORTING REQUIREMENTS

IX. PRE-CLEARANCE OF TRADES

- (i) **Dealing in Securities of Company A:** Employees who intend to deal in securities of Company A for a quantity exceeding **10,000 shares** in a calendar month (either in one transaction or in a series of transactions) should obtain pre-clearance from the Compliance Officer. Dealing in securities of Company A by the Compliance Officer beyond the aforesaid limits shall require pre-clearance from his reporting authority. No such pre-clearance shall be required for subscription of securities to the extent of any right entitlement (other than rights renounced).
- (ii) **Dealing in securities of Clients:** Employees who intend to deal in securities of any client (as mentioned in Schedule I and amended from time to time) for a quantity exceeding **1,000 shares** in a calendar month (either in one transaction or in a series of transactions) shall obtain pre-clearance from the Compliance Officer. Subscription / purchase / sale of securities by the Compliance Officer beyond the aforesaid limits shall require pre-clearance from his reporting authority. No such pre-clearance shall be required for subscription of securities to the extent of any right entitlement (other than rights renounced).

Provided further that any Employee(s) who is / are working on the specific assignment shall not deal in the securities of respective clients, e.g. a Employee working on an IPO shall not invest in that particular Issue.

- (iii) An application shall be made to the Compliance Officer for pre-clearance of trade, inter alia including name of company, estimated number of securities, details of securities account, etc.
- (iv) Exercise of Options under the Employee Stock Option Scheme (ESOS) / purchase of shares under Employees Stock Purchase Scheme (ESPS) of Company A shall not require any such clearance but sale of shares allotted on exercise of ESOP / ESPS shall not be allowed when trading window is closed.
- (v) Employees shall hold the securities acquired / allotted for a minimum period of 30 days from the date of purchase / allotment (referred to as the "**Minimum Holding Period**"). In case of personal emergency, the prior approval of Compliance Officer shall be taken for relaxation in the Minimum Holding Period. In respect of the Compliance Officer, such relaxation shall require prior approval of his reporting authority.
- (vi) The limit of 30 days shall also apply to the securities subscribed in Initial Public Offer / Follow On Public Offer / Offer for Sale / Rights Issue. The holding period shall commence from the date of allotment of securities.

(vii) When any securities are on the restricted / grey list, trading in these securities by employees may be blocked or may be disallowed at the time of pre-clearance. The decision of the Compliance Officer in this regard shall be final and binding.

(viii) The Management reserves the right to restrict any employee from dealing in specific securities at its sole discretion.

*The Company may require an undertaking from the employees in the format as specified in **Schedule II**.*

X. EXECUTION OF TRADES

Employee shall execute their order within one week after the approval of pre-clearance is given. If the order is not executed within one week after approval is given, the employee must obtain the pre-clearance again.

XI. REPORTING REQUIREMENTS

All employees of Companies falling under SPA Group shall be required to forward following details including the statement of holdings of their spouse and dependent family members to the Compliance Officer:

- (i) All holdings in securities at the time of joining of Company or on becoming a employee or on implementation of this new code of conduct
- (ii) Quarterly statement of transaction in securities for the periods ending March 31, June 30, September 30 & December 31 of each year.
- (iii) Annual statement of all holdings in securities

Every Employee shall submit with the Compliance Officer a statement of holding in securities by himself, including statement of holdings by dependent family members, as on December 31, 2007 within one month from the implementation of this Code.

SECTION E: MISCELLANEOUS

XII. PENALTIES FOR CONTRAVENTION

- (i) Any Employee / Officer / Director who trades in securities or communicates any information for trading in securities, in contravention of the Code of Conduct may be penalized and appropriate action may be taken by the Company.
- (ii) Any Employee / Officer / Director of the company who violates the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- (iii) The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.
- (iv) In the event of any amendment in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or issuance of any Clarification relating to prohibition of insider trading, such amendment/Clarification shall be deemed to be adopted by the Company and in case of any conflict between the provisions of the Code and SEBI (Prohibition of Insider Trading), Regulations, 1992, the latter shall prevail.

XIII. GENERAL

- (i) In case it is observed by the Company / Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company will intimate the same to SEBI.
- (ii) A copy of the Regulations and the Code of Conduct is place on the intranet for the reference of the employees.
- (iii) The details contained in this code of conduct are highly confidential and shall in no case be communicated directly / indirectly to anyone outside the Organisation.
- (iv) Any references to a masculine gender shall include feminine gender.
- (v) Any modification in the Code of Conduct or any schedule shall be intimated to the employees.
- (vi) Any intimation under this code may be issued through an office memo / circular, which may be transmitted through e-mail and shall be deemed to be in compliance with the Regulations and the Code and properly communicated.

Adopted by the Board of Directors of all Companies falling under the SPA Group and signed by through their respective signatories

SCHEDULE I

List of Restricted Securities
(please refer to Clause IX (ii) of this Code)

Sr. No.	Name of Company	Date of notification
1.	Mukesh Steels Limited, Ludhiana	Since inception of this code
2.	Mukesh Udyog Limited, Ludhiana	Since inception of this code
3.	Nu Tek India Limited, New Delhi	Since inception of this code
4.	Vijai Infrastructure Limited, Lucknow	Since inception of this code
5.	NKG Infrastructure Limited, New Delhi	Since inception of this code
6.	Adarsh Derivatives Limited, Sri Ganganagar	Since inception of this code

SCHEDULE II

Letter of Undertaking

<Date>

To
The Board of Directors

Dear Members,

I undertake not to indulge in any insider trading activities and I agree not to manipulate the stock market by using to my advantage, any vital and sensitive but unpublished information that I may have access to by virtue of my position in the Company or otherwise.

I further undertake that

- (i) * I do not have any access or have not received any "Price Sensitive Information" upto the time of signing the undertaking.
- (ii) * In case I have access to or receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of **SPA Capital Services Limited and the client company** till the time such information becomes public.
- (iii) I have not contravened the Code of conduct for prevention of insider trading as specified by the Organization from time to time.
- (iv) I have made a full and true disclosure in the matter.

If any time during my employment, a complaint is filed against me for engaging in Insider Trading, I agree to fully co-operate with the Company.

Yours faithfully,

** Delete whichever is not applicable*