

DLF LIMITED
POLICY FOR PREVENTION OF INSIDER TRADING*

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**Modified with effect from 01.02.2009*

DLF LIMITED

POLICY FOR PREVENTION OF INSIDER TRADING [IN TERMS OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992]

1. INTRODUCTION

This **policy** aims to define and establish **DLF Limited** (herein after referred to as "the Company), position and rules with respect to :

- **Prevention** of Insider trading of securities;
- **Maintenance** of confidentiality of Price Sensitive Information; and
- **Adherence** to Securities and Exchange Board of India's ('SEBI') applicable guidelines by all Connected or Deemed Connected persons including Director, Officer and Designated Employee for prevention of Insider trading.

2. OBJECTIVE

The Company is committed to the preserving the confidentiality and preventing the **misuse of any un-published price sensitive information**. The Company is further committed to adherence to all applicable laws and regulations set forth by the Securities and Exchange Board of India ("SEBI") or the Stock Exchange with regards to prevention of Insider trading.

Trading on insider information is not only **illegal**, but also **tarnishes DLF's corporate credibility**. The Company is committed to ensuring transparency and fairness in dealing with all stakeholders of the Company. Any appearance of impropriety, however inadvertent, on the part of anyone connected or deemed to be connected with the Company could seriously harm the Companies reputation, besides invoking penalties and disciplinary actions from the Regulatory Authorities.

The purpose of this document is to elucidate and inform to all Connected or any Deemed Connected persons to the Company that they have a responsibility and duty to preserve the confidentiality of all price sensitive information obtained in the course of his or her day to day operations and association with the Company. No Connected or Deemed Connected person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. To achieve these objectives, the Company hereby notifies that this policy be followed by all Connected or Deemed Connected persons of the Company.

3. DEFINITIONS

Definitions of some of the key terms used in this policy are given below:

- a) **"Company"** means DLF Limited and its Subsidiary Companies;
- b) **"Insider Trading"** means when insiders use unpublished price sensitive information to arrive at securities trading/dealing (including buying as well as selling) decisions, the action is referred to as insider trading;
- c) **"Insider"** means any person who, (i) is or was 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 the Company, or (ii) has received or has had access to such unpublished price sensitive information;
- d) **"Connected Persons"** means any person who is :
 - A Director of the Company;
 - An Officer or Designated Employee of the Company;
 - Has a professional or business relationship with the Company, such that he/she may be reasonably expected to have access to price sensitive information in relation to the company, which includes but not limited to the Legal Advisors, Solicitors, Auditors, Consultants and Tax Advisors;
- e) **"Deemed Connected Persons"** means and includes :
 - Dependent family members of Connected Persons;
 - Any group Company, Company under the same management or subsidiary of the Company;
 - Bankers of the Company;
 - Merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, investment advisor, sub-broker or any employee thereof having a fiduciary relationship with the Company;
 - Trustees of any trust the beneficiaries of which include any of the Connected Persons;
 - Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company;
 - Any person who was a Connected Person, whether temporary or permanent six months prior to an act of insider trading;
 - Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992.

- f) **“Dependent Family Members”** shall mean spouse, dependent parents and dependent children and any other person dependant on the Officer and Designated Employee;
- g) **“Officer of a Company”** means any person as defined in clause (30) of section 2 of the Companies Act, 1956 (1 of 1956) including an auditor of the Company;
- h) **“Designated Employee”** shall mean:
- Officer/employee comprising the **top three tiers** of the Company management, and include **Senior Executive Directors, Executive Directors, Chief Executives, Senior Vice Presidents and Vice Presidents** including **Executive Secretary or Personal Assistant** attached with every such officer/ employee ;
 - Manager and above in the **Finance, Accounts, Secretarial and Corporate Communications** departments;
 - Such employees designated and notified by the Compliance Officer from time to time with the approval of the Managing Director;
- i) **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities including positions taken in derivatives either as principal or agent;
- j) **“Price Sensitive Information”** shall mean any information which relates directly or indirectly to Company and which if published is likely to materially affect the price of securities of Company.

The following shall be deemed to be price sensitive information:

- Periodical financial results of the Company;
 - Intended declaration of dividends (both interim and final);
 - Issue of securities or buy-back of securities;
 - Any major expansion plans or execution of new projects;
 - Amalgamation, mergers or takeovers;
 - Disposal of the whole or substantial part of the undertaking;
 - Any significant changes in policies, plans or operations of the Company;
- k) **“Unpublished”** means information which is not published by the Company or its agents and is not specific in nature.

- l) **“Compliance Officer”** means an officer appointed by the Board for the purpose of monitoring, observing, educating the employees, setting forth the policies and administration of the procedure under the overall supervision of the Managing Director of the Company in relation to Compliance with this policy.
- (m) **“working day”** shall mean the working day when the regular trading is permitted on the stock exchange where securities of the company are listed.

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

4. POLICY FOR PREVENTION OF INSIDER TRADING FOR DLF LIMITED

A. COMPLIANCE OFFICER

The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Corporate Governance Committee of the Company on matters relating to prevention of Insider trading as specified in the policy. His duties should include the following:

- He shall be responsible for monitoring implementation of the policy under the overall supervision of the Corporate Governance Committee/Board;
- He shall maintain a record of Designated employees and any changes made to the list of Designated employees;
- He shall assist all the employees in addressing any clarification regarding the “Company’s Policy on Prevention of Insider Trading” and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- He may in consultation with the Chairman and/or Managing Director and shall as directed by the Corporate Governance Committee/Board, specifies prohibited period from time to time and immediately make an announcement thereof;
- He shall maintain a record of prohibited period specified from time to time;
- He shall ensure that prohibited period is intimated to all concerned at least 24 hours before the commencement of the said period;
- He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers and Designated Employees;
- He shall inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent, as required under SEBI and Stock Exchange rules;

- He shall place details of the dealing in the securities by Directors/Officer /Designated Employees before the Corporate Governance Committee on quarterly basis.

B. PRESERVATION OF "PRICE SENSITIVE INFORMATION"

B.1 MAINTENANCE OF CONFIDENTIALITY

- All Connected and Deemed Connected persons including, Directors, Officers and Designated Employees of the Company shall maintain the confidentiality of all unpublished price sensitive information;
- Such persons shall also not pass on such information to any person directly or indirectly by means such as making a recommendation for the purchase or sale of securities including taking position in derivatives etc.
- 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 such information to discharge their duties.
- All files, whether electronic or manual, containing confidential information shall be kept secure.

C. PROHIBITION ON DEALING, COMMUNICATION OR COUNSELING ON MATTERS RELATING TO INSIDER TRADING

No insider when in possession of unpublished price sensitive information shall:

- Either on his behalf or on behalf of any other person deal in securities of the company including taking position in derivatives;
- Communicate or counsel directly or indirectly, any unpublished information to/from any person.

However, exercise of option under the **DLF Employee Stock Option Scheme** shall be allowed during the closure of trading window.

D. RESTRICTIONS AND PROCEDURE FOR DIRECTORS, OFFICERS AND DESIGNATED EMPLOYEES WHILE DEALING IN COMPANY SECURITIES

D.1 PROHIBITION IN DEALING IN SECURITIES OTHER THAN DURING A VALID TRADING WINDOW

All Directors, Officers and Designated Employees shall conduct all their dealings in the securities of the Company only in a **valid trading window** within the **threshold limit** prescribed hereunder and shall not deal in any transactions involving the purchase or sale of the Company's securities including position in derivatives during the period when the trading window is closed.

D.2 VALID TRADING WINDOW FOR DEALING IN SECURITIES OF THE COMPANY

- Trading window means a period other than the prohibited period;
- Prohibited period means:
 - The **period beginning with the day** when the **intimation** of the Board/ Committee meeting is given to the **Stock Exchanges** to consider any price sensitive information and ending after 24 hours from the time the Price Sensitive information is made public and;
 - Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman and/or Managing Director;

The following shall be included in the definition of price sensitive information:-

- Declaration of Financial results (quarterly, half-yearly and annual);
- Declaration of dividends (interim and final);
- Issue of securities by way of public/ rights/bonus, etc.;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers, takeovers and buy-back;
- Disposal of whole or substantially whole of the undertaking;
- Any changes in policies, plans or operations of the Company
- disruption of operations due to natural calamities.
- The trading window shall be opened 24 hours after the Price Sensitive information has been made public.

D. 3 PROCEDURES FOR DEALING IN THE SECURITIES OF THE COMPANY

D.3.1 Pre-Clearance of Trading In Securities of the Company

All Directors, Officers and Designated Employees who **intend to deal** in securities of the Company in their own name or in the name of their dependent family members (above the minimum **threshold limit**), shall obtain **pre-clearance** of the transactions as per the pre-dealing procedure as described hereunder.

D.3.2 Procedure for Pre-clearance of Trade

- An application for pre-clearance of trade shall be made in **Form- A** to the Compliance Officer.
- An undertaking shall be executed in favour of the Company by such persons incorporating, inter-alia, the following clauses, as may be applicable:
 - Directors, Officers and Designated Employees he/she does not have any access or has not received "Price Sensitive Information" ;

- He/she 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;
- That he or she has not contravened the "Policy for Prevention of Insider Trading" as notified by the Company from time to time; and
- That he or she has made a full and true disclosure in the matter.

D.3.3 Threshold Limit:

The pre-clearance **shall not** be necessary, if the number of shares to be traded in a **week** up to **1,000 shares** [one thousand] (either in one transaction or in a series of transactions).

D.3.4 Validity of Pre-clearance period

Director, Officer and Designated Employee and their dependents family members shall execute their order in respect of securities of the Company **within one week** after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, he/she shall obtain pre-clearance again.

D.3.5 Holding period of securities

All directors/officers/designated employees including their dependent family members 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/officers/designated employees including their dependents family members 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.

In case the sale of securities is necessitated by personal emergency, the Compliance Officer may waive the holding period after recording in writing his or her reasons in this regard.

E.1 Disclosures of Directors, Officers and Designated Employees

All Directors, Officers and Designated Employees of the company are required to forward the following details of their security transaction/ holdings including the statement of dependant family members to the Compliance Officer.

(a) Initial Disclosure

Initial Disclosure to the Company shall be given about the number of shares or voting rights including the position taken in derivatives held by him/her/dependent family members (as defined by the Company) within **TWO working days** of becoming a Director, Officer or Designated Employee of the Company (**Form 'B'**).

(b) Change in Shareholding

Disclosure to the Company and the Stock Exchange shall be given about change in shareholdings or voting rights, if the change exceeds **Rs.5,00,000/- in value** or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower (**Form 'D'**). The disclosure has to be made within **TWO working days** of:-

- The receipt of intimation of allotment of shares; or
- The acquisition or sale of shares or voting rights as the case may be.

Disclosure to the Company and Stock Exchanges shall be given in 'Form D'.

The disclosures required under this code may also be made through electronic filing in accordance with the system devised by the stock exchange(s).

(c) Annual Disclosure

Annual disclosure of number of shares or voting rights, if any held by him/her/dependent family members as on 31st March, shall be made by **30th April**, in each Financial Year (**Form 'C'**).

E.2 Disclosure by the Company to Stock Exchanges

Compliance Officer shall disclose the information received under section E-1 (b) within **TWO days** of the receipt of the information to all Stock Exchanges on which securities of the Company are listed and/or as may be required by SEBI (Prohibition of Insider Trading) Regulations, 1992.

E.3 Maintenance of Records of disclosures received by the Company

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by Directors, Officers and Designated Employees for a minimum period of three years.

F. INFORMATION TO SEBI IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI/Stock Exchanges shall be informed by the Company/Compliance Officer within 7 days of their being notified of such a contravention after obtaining approval of the Managing Director/Corporate Governance Committee.

G. AMENDMENTS AND PROVISIO

This policy may be amended or modified by the Company after due consultation with the Corporate Governance Committee.

Where the position/procedures of the Company in relation to Insider Trading set forth in this policy is more rigorous than the rules framed by SEBI in relation to Insider Trading, the rules set forth in this policy shall prevail. However, nothing contained in this policy shall over-ride the expectations and requirements set forth by SEBI in relation to Insider Trading. All

Connected and Deemed Connected personnel are expected to ensure that they adhere to the minimum standards set forth by SEBI in relation to Insider Trading.

H. PENALTY FOR CONTRAVENTION OF INSIDER TRADING POLICY

Any Connected or Deemed Connected person, including all Directors, Officers and Designated Employees of the Company shall adhere to the principles and rules set forth in this policy. The Company reserves the right to penalize such persons and take appropriate action in the event of any contravention of the policy.

H.1 Any Connected or Deemed Connected, including Directors, Officers and Designated Employees who trades in securities or communicates any information for trading in securities, in contravention of the policy may be penalized and appropriate action may be taken by the Company.

- H.2** Any Officers and Employee including Designated Employees who violate this policy shall also be subject to disciplinary action by the Company, which may include wage, salary freeze, suspension, withholding of promotions, etc.
- H.3** The action taken by the Company shall not preclude SEBI from taking any action under Sections 11, 11B, 11D, Chapter VIA and Section 24 of the SEBI Act in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

FORM A
[Pre-clearance of Trade]

To
 The Company Secretary & Compliance officer
 DLF LIMITED
 1E, Jhandewalan Extension
 Naaz Cinema Complex
 New Delhi – 110 055

Dear Sir,

I,Director / Officer/ Designated employee of DLF LIMITED intend to carry out transaction(s) in the shares of DLF LIMITED as per the details given below :-

Name & Designation of the Director/ Officer/Designated Employee :

Department of Designated Employee :

Date of joining / becoming Director/Officer/Designated Employee :

PERMANENT ACCOUNT NUMBER (PAN) :

Sl No.	No. of Shares held (including by dependent family members) as on the date of application.	Folio No./ DP ID & Client ID	Nature of transaction for which approval is sought (Purchase/sale)	Estimated number of securities to be dealt	Estimated consideration value.
1	2	3	4	5	6

2. In this connection I solemnly confirm and declare:

- a) THAT I do not have 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) THAT in case I have access to receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of any change in my position and that I shall completely refrain from dealing in the securities of the Company till the time such information becomes public;
- c) THAT I have not contravened the 'policy for prevention of insider trading' as notified by the Company from time to time;
- d) THAT I shall hold the shares for a minimum period of six months from the date of purchase/ that I have complied with the requirement of minimum holding period of six months with respect to the shares sold. (applicable only in respect of sale transaction).

3. I hereby solemnly declare that I have made full and true disclosure in this regard to the best of my knowledge and belief.

4. Pre-clearance may kindly be accorded in terms of the requirement of the 'Policy for Prevention of Insider Trading', of DLF LIMITED.

Date :
Place:

Signature

FORM B
(Initial Disclosure)

The Company Secretary & Compliance Officer
DLF LIMITED
1E, Jhandewalan Extension
Naaz Cinema Complex
New Delhi – 110 055.

Dear Sir,

I,Director/ Officer/ Designated employee of DLF LIMITED furnish below the details of shareholding in DLF LIMITED as on the date of joining in my name and / or in the name(s) of my dependent family members in terms of Regulation 13(2) of SEBI (Prohibition of Insider Trading) Regulation, 1992 read with Clause E.1 (a) of the Prohibition of Insider Trading Policy of the Company.

Name, Designation, PAN No. & Address of Director/ Officer	Date of assuming office of Director/ Officer	No. & % of shares/ voting rights held at the time of becoming Director/ Officer	Date of intimation to the company	Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)
1	2	3	4	5

Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value
6	7	8	9

Date :
Place:

Signature

FORM C
(Annual Disclosure)

The Company Secretary & Compliance Officer,
DLF LIMITED
1E, Jhandewalan Extension
Naaz Cinema Complex
New Delhi – 110 055.

Dear Sir,

I,.....Director/ Officer/ Designated employee of DLF LIMITED furnish below the details of shareholding in DLF LIMITED as on 31st Marchin my name and /or in the name(s) of my dependent family members in terms of Clause E.1 (c) of the Policy for Prevention of Insider Trading of the Company.

Name & Designation of the Director/Officer/:
Designated employee :

Department of Designated Employees :

Date of Joining/becoming Director/officer/
Designated Employee :

- I. Details of shareholding of Directors/Officer/Designated employees held in self name:

Sl. No.	No. of shares held	Folio No./DP ID & Client ID	Permanent Account Number (PAN)

- II. Details of shares held by / in the name(s) of dependent family members.

Sl. No.	No. of shares held	Folio No./DP ID & Client ID	Permanent Account Number (PAN)

Date :
Place:

Signature

FORM D
(Details of change in shareholding)

Name, PAN No. & Address of Director/ Officer	No. & % of shares/ voting rights held by the Director/ Officer	Date of receipt of allotment advice/ acquisition/ sale of shares/ voting rights	Date of intimation to the Company	Mode of acquisition (market purchase/ public/ rights/ Preferential offer etc.)	No. & % of shares/ post acquisition/ voting rights sale	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value	Sell quantity	Sell value
1	2	3	4	5	6	7	8	9	10	11	12

Date :
Place :

Signature