

# KAMDHENU ISPAT LIMITED

## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING (As approved by the Board of Directors of the Company)

### 1. PREAMBLE

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, (hereinafter referred to as the 'Regulations') requires a Company to frame a Code of Conduct for prevention of insider trading by employees of the Company, including the Directors, in relation to the securities of the Company. In line with the said Regulations, this Code for Prevention of Insider Trading has been formulated and adopted by the Board of Directors of the Company to be effective from 23<sup>rd</sup> July, 2007.

Insider trading means dealing in securities of a company by insiders which term includes Directors, Officers and Employees of the Company who are connected with the Company and/or reasonably expected to have access to Unpublished Price Sensitive Information (UPSI) in respect of securities of the Company or who had access to such UPSI. Such dealings by Insiders erode the investors' confidence in the fairness and integrity of the management. Insider Trading deters investment from capital market which in turn affects growth of economy.

### II. DEFINITIONS

1. 'Code' means **"Code of Conduct for Prohibition of Insider Trading of the Company"**
2. 'Company' means Kamdhenu Ispat Limited
3. 'Compliance Officer' shall mean Company Secretary of the Company.
4. 'Connected Person' means any person who
  - a. is a Designated employee of the Company; or
  - b. has a professional or business relationship with the Company.

'Deemed Connected Persons' means and includes:

- a) Any group company, company under the same management or subsidiary of the company.
- b) Dependent family Members of Connected Persons;
- c) Bankers of the Company;
- d) Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, portfolio Manager, investment Adviser, Sub -broker or any employee thereof having a fiduciary relationship with the company;
- e) Trustees of any trust the beneficiaries of which include any of the connected persons. Trustees of any trust who are conferred with power of attorney to act on behalf of beneficiaries in respect of securities of the company.
- f) Any person who was a connected person, whether temporary or permanent six months prior to an act of insider training.

- g) Person having professional or business relationship between themselves and the company, whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information.
  - h) Any other person or category of persons mentioned in Regulation 2 of the SEBI (prohibition of insider trading) Regulation, 1992.
5. 'Dealing in Securities' means subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities either as principal or agent.
6. 'Designated Employee' shall mean:-
- I. Officers comprising the top 3 tiers of Company Management, namely:-
    - a) Chairman & Managing Director or the CEO as the case may be, and Whole Time Director.
    - b) Business Heads by whatever designation they may be called (Chief Operating Officer, Vice President, General Managers, Regional Managers, Chief Finance Officer etc.)
    - c) Functional Heads reporting to Business Heads by whatever designation they may be called (Vice President, General Manager, Regional Manager, Managers, Company Secretary etc.)
  - II. All the Employees at or above the level of Manager in Finance, Accounts and Secretarial Department.
  - III. Such other employees as may be designated by Chairman & Managing Director or the CEO as the case may be from time to time.
7. 'Dependent Family Members' shall mean a relative of the designated employee who is dependent on the designated employee.
8. 'Insider Trading' means when insider use unpublished price sensitive information to trade in the securities of the company (including buying as well as selling) the action is referred to as insider trading;
9. 'Insider' means any person who is or was a "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or who has received or has had access to such unpublished price sensitive information.
10. 'Price Sensitive Information' any information, which relates directly or indirectly to the company and which if published, is likely to materially affect the price of securities of Company. The following is deemed to be price sensitive information:-
- a) Periodical financial results of the company;
  - b) Intended declaration of dividends (both interim and final);
  - c) Issue of securities or buy-back of securities;
  - d) Any major expansion plans or execution of new projects;
  - e) Amalgamation, mergers or takeovers;
  - f) Disposal of the whole or substantial part of the undertaking; and
  - g) Any significant changes in policies, plans or operations of the company.

**11. 'Relative' shall mean any of the following persons:-**

- a) Husband
- b) Wife
- c) Father
- d) Mother (including step-mother)
- e) Son (including step-son)
- f) Son's wife
- g) Daughter (including step-daughter)
- h) Father's father
- i) Father's mother
- j) Mother's mother
- k) Mother's father
- l) Son's son
- m) Son's son's wife
- n) Son's daughter
- o) Son's daughter's husband
- p) Daughter's husband
- q) Daughter's son
- r) Daughter's son's wife
- s) Daughter's daughter
- t) Daughter's daughter's husband
- u) Brother (including step-brother)
- v) Brother's wife
- w) Sister (including step-sister)
- x) Sister's husband

**III. INTERPRETATION**

- 1. Terms that have not been defined in this Code shall have the same meaning assigned to them in the Companies Act, 1956 and/or any other SEBI Regulation(s) as amended from time to time.
- 2. This code can be modified/amended/alterd only by Board of Directors of the Company.

**IV. CODE**

**1. Compliance officer**

The Company has appointed the Company Secretary as Compliance officer who shall report to the Chairman & Managing Director of the Company. The Board may, where it is considered necessary so to do appoint such other officer as it may consider proper as such Compliance Officer.

**2. Preservation of "Price Sensitive Information"**

The designated employees and Directors shall maintain the confidentiality of all Price Sensitive Information (PSI). The Designated employees and Directors shall not:-

- (a) pass on the PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company; or
- (b) disclose PSI to their family members, friends, business associates or any other individual; or
- (c) discuss PSI in public places; or

- (d) disclose PSI to any employee who does not need to know the information for discharging his or her duties; or
- (e) be seen or perceived to be dealing in Securities of the Company on the basis of unpublished PSI.

Following practices should be followed in this regard.

#### 2.1 Duties of Compliance officer

- a) He shall maintain a record of designated employees and any changes made therein.
- b) He may in consultation with the Chairman & Managing Director and as directed by the Board specifies prohibited period from time to time and immediately make an announcement thereof.
- c) He shall maintain a record of Prohibited Period specified from time to time.
- d) He shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of 'Price Sensitive Information' 'Pre-clearing of 'designated employee' and their dependents' trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.

#### 2.2 Need to Know

Unpublished Price Sensitive Information is to be handled on a "need to know" basis i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to conflict of interest or appearance of misuse of information.

#### 2.3 Limited access to confidential information

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

### 3. PROHIBITION TO BUY / SELL SECURITIES OF THE COMPANY BY INSIDER

Insider when in possession of any unpublished price sensitive information pertaining to the Company shall not:

- a) Buy/sell securities of the Company, either on their own behalf or on behalf of any other person.
- b) Communicate, counsel or procure any unpublished price sensitive information to /from any person.

#### 4. RESTRICTION TO BUY / SELL SECURITIES BY DESIGNATED EMPLOYEES

4.1 Designated Employees shall not buy/sell securities of the Company during Closure of the 'Trading Window', i.e. the period during which trading in the securities of the Company is prohibited.

4.2 The closure of trading Window shall commence as follows:

Nature of financial results	Date of Declaration	Date of closure of Trading Window
Unaudited Results for the first quarter (April to June)	On or before July 31	7 days before the date of Board meeting to consider un-audited quarterly results
Unaudited Results for the second quarter/Half year (July to September)	On or before October 31	7 days before the date of Board meeting to consider un-audited quarterly results
Unaudited Results for the third quarter (October to December)	On or before January 31	7 days before the date of Board meeting to consider un-audited quarterly results
Audited Results for the financial year ending on March 31 <sup>st</sup>		7 days before the date of Board meeting to consider audited result (and dividend, if any) to the Stock Exchanges

The Trading Window shall be opened after passing of 24 hours of conclusion of Board Meeting in which the Financial Results as above are approved.

4.3 The trading window for following events shall be advised by the Compliance officer appointed by the Board for the purpose of this Code:

- a) Proposal in respect of issue of securities by way of public/ rights/bonus etc.;
- b) Proposal in respect of significant expansion plans or execution of new projects;
- c) Proposal in respect of amalgamation, mergers, takeovers and buyback;
- d) Proposal in respect of disposal of whole or substantially the whole of the undertaking;
- e) Declaration of Dividends (Interim and Final);
- f) Any change in Policies, plans or operations of the Company; and
- g) Any other information which can be considered to be price sensitive

4.4 All Securities acquired by Designated Employees must be held for a minimum period of 30 days. However, in circumstances of personal emergency, an application may be made to the Compliance Officer requesting for a waiver of the holding period, explaining reasons for the same. The application for permission to sell securities within 30 days of

Purchase shall be made to compliance Officer of Company in format specified in Annexure II of the Code. The Compliance Officer, on being satisfied of the reasons may grant a waiver from this condition.

- 4.5 Designated Employees are required to obtain the pre-clearance of the proposed acquisition/purchase/sale transactions by themselves or through their dependent family members as per the procedure described hereunder if the said transaction of the securities of Company is in excess of 2,000 in number or Rupees 200000/- (Two Lacs) in market value, whichever is lower, per quarter (either in one transaction or in a series of transaction(s)). The application for pre-clearance shall be made to compliance officer of Company in format specified in Annexure II of the Code.
- 4.6 The Compliance Officer will scrutinize the application within 2 working days of submission and communicate the approval/ refusal (alongwith reasons therefore) to the applicant. The decision of the Compliance Officer in this regard will be final. In the absence of the Compliance Officer, the Chairman & Managing Director will decide upon the pre-clearance application.
- 4.7 The pre-clearance approval shall be valid only for one week from the date of communication and shall lapse thereafter. If the transaction is not consummated within one week from the approval date, the employee/director will be required to follow the process of pre clearance again.
- 4.8 The requirements of pre- clearance of a proposed transaction shall not apply in the following cases:
  - a) In the event of participation of a public event i.e. a rights or a bonus issue.
  - b) In the case of any acquisition of shares through transmission or Inheritance, or like mode.
  - c) By way of any court settlement or award thereof.

## 5. DISCLOSURES

- 5.1 Designated Employees shall make the following disclosures of shares and other securities held in the Company by them and their dependant family members, to the Compliance Officer:

Periodicity of Disclosure	Disclosure Requirement	Time period within which disclosure is to be made
Initial Disclosure by Designated Employee	Number of Securities or voting rights held by them & their dependent family members (as per format specified in Annexure I of this Code).	Within 4 days of his becoming designated employee of the Company. In case of existing designated employee within 4 days of coming into effect of this Code.

Annual Disclosure by all Designated Employee	Number of Securities or voting rights held by them & their dependent family members (as per format specified in Annexure I of this Code).	Annual disclosure of number of securities held as on 31 <sup>ST</sup> March shall be made within 30 days.
Disclosure by Designated Employee if there has been Change in shareholding and such change exceeds Rs. 2 lacs in market value or 2,000 shares, whichever is lower.	Number of Securities or voting rights held by them & their dependent family members(as per format specified in Annexure III of this Code).	Within 4 working days of acquisition/sale / transfer / of shares.

## 6. PENALTIES FOR CONTRAVENTION

- 6.1 Any designated employee 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 Chairman & Managing Director or CEO as the case may be or by any other person authorized by the Chairman & Managing Director or CEO as the case may be after giving reasonable opportunity to explain his stand in the matter. The Board shall look into contravention of the Code by Directors.
- 6.2 The designated employees who violate 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. The provisions of this Code shall be deemed to have been incorporated in and form part of service rules governing the employees concerned of the Company.
- 6.3 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.

## 7. GENERAL

- 7.1 Employees are advised to peruse the Code and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time, carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer will be available for clarification / assistance that may be necessary.

## Annexure I

Date:

Compliance Officer  
Kamdhenu Ispat Limited  
L-311, Street No.7,  
Mahipalpur Extention,  
New Delhi-110037

**Sub: Initial Disclosure/Annual Disclosure of Securities held pursuant to clause 5.1 of Code for Prevention of Insider Trading**

Dear Sir,

I, hereby disclose that I am holding \_\_\_\_\_ Number of Securities of Kamdhenu Ispat Limited (including those held by dependent family members) as per following details as on ...../.....(date of joining)/ December 31\_\_\_\_\_\*:

1. Name :
2. Designation, Department & Employee Code:
3. Client Id & Details of Depository :
4. Name(s) of Account Holder(s) \*\* :
5. Relation with Designated Employee\*\* :
6. Number of securities held (including those :  
held by dependent family members)

Thanking you,

(Signature)

Notes:

1. \* Strike out whichever is not applicable
2. \*\* Applicable in case of dependent family member of Designated Employee
3. A separate Statement should be attached in respect of number of Shares held by dependent family members.



## Annexure II

Date:

Compliance Officer  
Kamdhenu Ispat Limited  
L-311, Street No.7,  
Mahipalpur Extention,  
New Delhi-110037

**Sub: Application for Selling before 30 days of Purchase of Security pursuant to Clause 4.4 of Code for Prevention of Insider Trading/Pre-clearance of the Transaction pursuant to Clause 4.5 of Code for Prevention of Insider Trading\***

Dear Sir,

I intend to deal in the Securities of Company. Detailed particulars of Proposed Transactions are as follows:

- |    |  |   |
|----|--|---|
| 1. | Name   | : |
| 2. | Designation, Department & Employee Code  | : |
| 3. | Client Id & Details of Depository  | : |
| 4. | Name(s) of Account Holder(s)**   | : |
| 5. | Relation with Designated Employee**  | : |
| 6. | No of securities held (including those held by dependent family members) before proposed Transaction       | : |
| 7. | Nature of Proposed Transaction   | : |
| 8. | Estimated number of securities to be dealt in proposed Transaction (including by dependent family members) | : |
| 9. | Reason for proposed Transaction  | : |

You are requested to pre-clear the above transaction.

Thanking you,

(Signature)

Notes:

1. \* Strike out whichever is not applicable
2. \*\* applicable in case of dependent family member of Designated Employee
3. A separate statement should be attached in respect of number of Shares held by dependent family members.

### Annexure III

Date:

Compliance Officer  
Kamdhenu Ispat Limited  
L-311, Street No.7,  
Mahipalpur Extention,  
New Delhi-110037

**Sub : Disclosure Pursuant to Clause 5.1 of Code for Prevention of Insider Trading of Kamdhenu Ispat Limited for change in shareholding in excess of Rs. 2 lacs in market value or 2,000 shares, whichever is lower.**

Dear Sir,

I am disclosing herewith details of securities held by me (including those held by dependent family members) pursuant to Clause 5.1 of Code for Prevention of Insider Trading of Kamdhenu Ispat Limited.

- |     |   |   |
|-----|---|---|
| 1.  | Name  | : |
| 2.  | Designation, Department & Employee Code   | : |
| 3.  | Client Id & Details of Depository   | : |
| 4.  | Name(s) of Account Holder(s)*   | : |
| 5.  | Relation with Designated Employee*  | : |
| 6.  | Shareholding prior to acquisition/sale (including those held by dependent family members)       | : |
| 7.  | Number and % of shares/voting rights acquired /sold   | : |
| 8.  | Receipt of allotment/advice/acquisition of shares/sale of shares                                | : |
| 9.  | Mode of acquisition on (market Purchase/public/rights/preferential offer etc.)                  | : |
| 10. | Trading member through whom the trade was executed with SEBI Registration No. of Trading Member | : |
| 11. | Exchange on which the trade was executed  | : |
| 12. | Buy quantity  | : |
| 13. | Buy Value   | : |
| 14. | Sell quantity   | : |

15. Sell Value :

You are requested to pre-clear the captioned transaction.

Thanking you,

(Signature)

Notes:

1. \* Applicable in case of dependent family member of Designated Employee
2. A separate statement should be attached in respect of number of Shares held by dependent family members