



CODE OF PRACTICES AND PROCEDURES
FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE
INFORMATION OF AANCHAL ISPAT
LIMITED



INTRODUCTION

In accordance with the Insider Trading Regulations, the Board of the Company, has adopted this code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information.

DEFINITIONS

1. **“Act”** shall mean the Companies Act, 2013 and rules made thereunder, as amended.
2. **“Board”** means Securities and Exchange Board of India.
3. **“Board of Directors”** means Board of Directors of Aanchal Ispat Limited
4. **“Code”** means this code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information.
5. **“Company”** shall mean Aanchal Ispat Limited
6. **“Compliance Officer”** means any senior officer, designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Insider Trading Regulations, and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules of preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified under the Insider Trading Regulations under the overall supervision of the Board.
7. **“Connected person”** means,- 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 UPSI or is reasonably expected to allow such access 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 specified above; 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 recognised 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 a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;
8. **"Designated Person"** means to be such persons which are covered by the Code of Conduct, decided in consultation between the Board of Directors and Compliance Officer, on the basis of their role and function in the organisation, and the access to the UPSI because of such role and function, in addition to seniority and professional designation and shall include:
- i. Employees of the Company, intermediary or fiduciary designated on the basis of their functional role or access to UPSI in the organisation by the Board of Directors or analogous body;
 - ii. Employees of the material subsidiary(ies) of the Company designated on the basis of their functional role or access to UPSI in the organisation by the Board of Directors of such subsidiary(ies);
 - iii. All promoters of the Company and promoters who are individuals or investment companies for intermediaries or fiduciaries;
 - iv. Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
 - v. Any support staff of the Company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.
9. **"Designated Employee"** of the Company" means –
- i. All General Managers and above
 - ii. All Heads of the Spheres;
 - iii. All Executives working in Company Secretary, Public Relations, Planning, Corporate Affairs, Business Development, Finance & Accounts Department;
 - iv. All Executives working in Secretariat of Chairman & Managing Director , Functional Directors, Resident Chief Executive (RCE) and Chief Vigilance Officer;
 - v. Any other executive which in opinion of Compliance Officer be covered under the designated employees.
10. **"Fiduciary"** or **"Fiduciaries"** means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the Company.
11. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis;
12. **"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;



13. **“Insider”** means any person who is:
 - i. a connected person; or
 - ii. in possession of or having access to unpublished price sensitive information; or
 - iii. any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose.”
14. **“Key Managerial Personnel”** means–
 - i. Chairman & Managing Director;
 - ii. All whole time Directors;
 - iii. Company Secretary;
 - iv. Such other officer as may be prescribed under Companies Act 2013 or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
15. **“Legitimate purpose”** includes sharing of Unpublished Price Sensitive Information in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of PIT regulations.
16. **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and **“trade”** shall be construed accordingly
17. **“Trading day”** means a day on which the recognized stock exchanges are open for trading;
18. **“Trading Window”** means a trading period in which no designated persons including their immediate relatives shall deal in the securities when the trading window is closed.
19. **“Stock Exchange(s)”** means the stock exchange(s) where the securities of the Company is listed
20. **“Unpublished Price Sensitive Information” or “UPSI”** – 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, delisting, disposals and expansion of business and such other transactions
 - v. changes in key managerial personnel
 - vi. material events in accordance with the listing agreement
 - vii. Any such other information which may affect the price of securities



All other words and phrases will have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules & regulations made there-under shall have the meanings respectively assigned to them in that legislation.

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RESTRICTION ON TRADING BY INSIDERS

A. Trade in securities when in possession of UPSI

1. No insider shall trade in securities of the Company when in possession of UPSI provided that the Insider may prove his innocence by giving valid reasons of the circumstances like:
 - a. In case of non – individual insiders, the individuals who were in possession of the UPSI were different from the individuals who took the decision for trade and there are such appropriate and adequate arrangements in place that the information of the UPSI is not transferred from the individuals who were in possession of the UPSI to the individuals who took the decision for trade.
 - b. Trading is done pursuant to the trading plan as per this Policy.
 - c. Trade by connected person, the onus of establishing that they were not in possession of UPSI shall be on such connected person.
 - d. The transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of regulation 3 of PIT regulations and both parties had made a conscious and informed trade decision.
 - e. The transaction was carried out through block deal window mechanism between insiders without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.
 - f. The transaction was carried out pursuant to the exercise of stock options, where the exercise price was pre-determined as per applicable regulations.
 - g. In any other case, the onus would be on the Board.

B. Trading Plan

1. Insider may formulate a trading plan and the same shall be approved by the Compliance Officer after evaluation with regard to the Regulations and shall be notified to the stock exchange.
2. By virtue of the pre-planned trading plan, he/she shall not be prohibited from execution of such trades being that he had pre-decided even before the UPSI came into existence.
3. The following are the requirements of the trading plans
 - a. Trading can be done after six months of commencement/ public disclosure of trading plan.
 - b. Trading plan should not entail trading between period twentieth trading day prior to the 31st March every year and second day after the disclosure of such financial results.
 - c. Insider can give one trading plan at a time. Plan should not entail overlap of any period for which another trading plan is in existence.
 - d. The trading plan should not be for less than twelve months.
 - e. Insider should entail the basic parameters i.e. acquisition or disposal should be set out and also he/she may set out the value/number/type of securities to be invested or divested, along with specific dates and time intervals.



- 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. Provided that the implementation of the trading plan shall not be commenced if any UPSI in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4 of the Regulations or point no. A of Chapter IV of this Code.

C. Trading Window

1. The Designated persons and their immediate relatives can trade company shares only during the trading window.
2. The trading window shall be closed when Compliance Officer determines that designated person or a class of designated person are expected to be in possession of UPSI.
3. The trading window shall remain closed for a period of at least seven days prior to the happening of any of the following events in general:
 - Declaration of financial results (half-yearly and annually);
 - Declaration of dividend;
 - Issue of securities by way of public / rights / bonus etc.;
 - Any major expansion plans or execution of new projects;
 - Amalgamation, mergers, acquisitions, takeovers and buy back of shares;
 - Disposal of whole or substantially the whole of the Company;
 - Any changes in policies, plans or operations of the Company;
 - Acquisition, de-merger, restructuring, scheme of arrangement, spin-off of divisions etc.;
 - Consolidation / splitting of shares;
 - Voluntary de-listing of shares by the Company;
 - Forfeiture of shares;
 - ADR / GDR or any other class of securities to be issued abroad; and
 - Cancellation of dividend/right/bonus etc.
4. The Compliance Officer (in consultation with the Board of directors of the Company) may for a longer period, close the Trading Window for the events mentioned above or on any such other matter as they deem fit after taking into account the sensitivity of the event/ case.
5. The Compliance Officer shall take all reasonable steps to ensure that the designated persons and/or Insiders are informed in advance, about the date of closing and opening of the Trading Window.



6. The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
7. 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.
8. In case of Employee Stock Option Plans (ESOPs), exercise of option may be allowed during the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the Trading Window is closed.

D. Pre-Clearance of trades' clearance of trades

1. All Designated persons of the Company who intend to deal, on their behalf and/ or on behalf of their dependent family members, in the securities of the Company and where the number of shares intended to be dealt exceeds 1000 shares in single trade and 3000 shares in a week, should pre-clear the transactions as per the pre-dealing procedure as described hereunder.
2. Any precleared trade not executed by the designated person within 7 days of its pre-clearance would require fresh clearance for the trades to be executed.
3. An application may be made in the prescribed format, to the Compliance Officer indicating the estimated number of securities that the Designated person 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 specified in this behalf.
4. Along with the request for pre-clearance of transaction, an undertaking shall be executed in favour of the Company by such designated person, that he is not in possession of UPSI.
5. An undertaking shall be executed by the director/ officer/ Designated employee as per the format annexed herewith as per prescribed format.
6. No contra trade shall be executed by the designated person within the period six months from date of execution of the pre-cleared trade.
7. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.
8. In case of execution of a contra trade, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the Board under the Act.

E. Institutional Mechanism for Prevention of Insider Trading

Our Company in consultation with Chief Executive Officer, Managing Director and other senior management personnel has put in place adequate and effective system of internal controls to ensure compliance with the requirements of Regulations, in order to prevent the insider trading which includes the following internal controls:



- i. all employees who have access to the UPSI are identified as Designated employee(s);
- ii. all the UPSI shall be identified and its confidentiality shall be maintained as per the requirement of these Regulations;
- iii. adequate restrictions have placed on communication or procurement of UPSI as required by these Regulations;
- iv. list of all employees and other persons have been maintained with whom UPSI is shared and confidentiality agreement to be signed with or notice to be served to all such employees and persons;
- v. periodic process review to evaluate effectiveness of such internal controls.

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DISCLOSURE OF TRADING

Fair Disclosure of UPSI

- a. The Company shall promptly disclose the UPSI that would impact discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b. Disclosure of UPSI shall be uniform and universal to avoid any selective disclosure.
- c. If any UPSI is disclosed selectively, inadvertently or otherwise, such information shall be disseminated promptly to make such information generally available.
- d. Compliance Officer shall ensure that any information shared with analysts and research personnel shall not be UPSI.
- e. On receipt of any marker rumours or news report by the Company, same shall be provided to Compliance Officer on immediate basis. Compliance Officer in consultation with Managing Director or Chairman, shall verify such market rumours or news report and shall provide appropriate and fair responses to stock exchange(s).

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POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

PREAMBLE

The Securities and Exchange Board of India (“SEBI”) has, in pursuance of the powers conferred on it under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”/ “PIT Regulations”). These Regulations are made applicable to all the companies whose securities are listed on Stock Exchange(s) and all unlisted companies whose securities are proposed to be listed on Stock Exchange(s). PIT Regulations provides that no insider shall communicate, provide or allow access to any UPSI, to any other person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Pursuant to the amendment in the above Regulations, Regulation 3(2A) requires every listed companies to formulate such policy for determination of “legitimate purpose” as a part of “Codes of Fair Disclosure and Conduct”

The Board of Directors of Aanchal Ispat Limited has formulated a policy for determination of “legitimate purposes” as a part of its “Codes of Fair Disclosure and Conduct”, whereby to list down the instances or business transactions where an “insider” are allowed to communicate or to give an access of UPSI to any person in furtherance of legitimate purposes, which shall not be treated as illegal under this Regulations and which are required to be disclosed to other person in the ordinary course of business.

OBJECTIVE OF THE CODE

This policy of legitimate purposes has been implemented with an objective to provide a guidelines to the Company and its insider, to communicate the UPSI in the ordinary course of business, which shall not be treated as illegal, with an objectives as outlined under this Regulations for various business transactions:

- (a) to cast an obligation on all the insiders who are essentially persons in possession of UPSI to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis;
- (b) to develop such practices in Company based on need-to-know principles for treatment of information in their possession;
- (c) to impose a prohibition on unlawfully procuring possession of UPSI;
- (d) to identify such instances whereby inducement and procurement of UPSI not in furtherance of one’s legitimate duties and discharge of obligations would be illegal under PIT Regulations.

FLOW OF INFORMATION BY INSIDER FOR LEGITIMATE PURPOSE

The communication or procurement or allowing access of UPSI, which relates to the Company or securities listed or proposed to be listed, in furtherance of legitimate purposes, performance of duties or discharge of legal obligation, will be considered as legitimate purpose, on fulfilling the certain grounds. Accordingly, legitimate purposes shall include the following instance to be considered as legal obligations:

- i. sharing of UPSI in the ordinary course of business by an insider within partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing of UPSI has not been carried out to evade or circumvent the prohibitions of PIT Regulations;



- ii. sharing of UPSI in connection with an transaction which would entail an obligation on the Company to make an open offer under the takeover regulations, where the Board of Directors is of informed opinion that sharing such information is in the best interests of the Company;
- iii. sharing of UPSI in connection with an transaction, which may not attract the open offer, but where Board of Directors is of informed opinion that sharing such information is in the best interests of the Company and that such information that constitute UPSI is generally made available at least two trading days prior to the proposed transaction being affected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

POSSESSION of UPSI – AN “INSIDER”

Any person who is in receipt of UPSI pursuant to a “legitimate purposes” will be considered as “insider” under PIT Regulations. Such Insider shall ensure the confidentiality of UPSI until it has been disseminated to the public knowledge, unless it has been under the circumstances which has been defined to in accordance with the requirement of “legitimate purposes”.

Company will serve the notice to such “insider” to maintain the confidential of such UPSI, shared with them pursuant to the “legitimate purposes”. Company shall also execute a Non-Disclosure agreement with them, in order to ensure that “insider” shall not leak out the USPI for their own unlawful gains and to ensure the confidentiality of UPSI information. “Insider” shall not trade in the securities of the Company while possessing the UPSI of the Company till the time, such information has not been made to the public.

PREVENTION OF INSIDER TRADING BY “INSIDER” WHEN IN POSSESSION OF UPSI

Insider shall not trade in securities of the Company after getting its securities listed or when it proposes to get its securities listed on stock exchange(s), when they are in possession of UPSI. The onus of proving his innocence lies on the Insider and the same can be proved by demonstrating the circumstances including the following:

- i. the transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;
- ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;
- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction;
- iv. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations;
- v. the trades were pursuant to the trading plan;
- vi. in case of non-individual insiders:
 - the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision making individuals were not in possession of such UPSI when they took the decision to trade; and
 - appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached.
