

FOSECO INDIA LIMITED

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Corporate Identity Number: L24294PN1958PLC011052

Code of Conduct to Regulate, Monitor and Report Trading of the Company's securities by Insiders

*[Pursuant to Schedule B and Regulation 9 of
SEBI (Prohibition of Insider Trading) Regulations, 2015]*

FOSECO INDIA LIMITED (the “**Company**”) hereby formulates this Code of Conduct to Regulate, Monitor and Report Trading of the Company's securities by Insiders (hereinafter referred to as “**the Code**”) and is effective from the date of commencement of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the “**Regulations**”) i.e., from May 15, 2015. Pursuant to the notification of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Code has been amended and reviewed by the Board on 29 March 2019. This Code shall come into effect from 1 April 2019.

This Code shall be applicable to and binding on all Directors, Key Managerial Personnel and employees of the Company (who are hereby defined as “**designated persons**”) including the Promoters and by all other persons defined as “**connected persons**” under the Regulations.

Definitions:

1. “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
2. “**Board**” means the Securities and Exchange Board of India.
3. “**Board of Directors**” means the Board of Directors of the Company.
4. “**Companies Act**” means The Companies Act, 2013.
5. “**Company**” or “**the Company**” means Foseco India Limited.
6. “**Compliance Officer**” means any Senior Officer of the Company, designated so and reporting to the Board of Directors for the purpose of monitoring adherence to the rules and implementation of this Code and the Regulations.
7. “**Connected person**” means-
 - (i) Any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with Company's Officers or by being in any contractual, fiduciary or employment relationship or by being a Director, Key Managerial Personnel, 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to **Unpublished Price Sensitive Information** (hereinafter referred as “**UPSI**”) or is reasonably expected to allow such access.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 the connected persons specified in (i) 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 authorised 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 persons”** shall mean all employees comprising the top three tiers of the Company’s Management, all employees in Finance, Accounts and Secretarial Department and such other employees who may be so designated, including the connected persons, from time to time, by the Board of Directors for the purpose of this Code and who may be able to have access to any **UPSI** as defined in this Code or the Regulations. Top three tiers of the Company’s Management shall include the Board of Directors.
- 9. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- 10. **“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.
- 11. **“Insider”** means any person who is-
 - (i) a connected person, or
 - (ii) in possession of or having access to **UPSI**
- 12. **“Key Managerial Personnel”**, in relation to the Company, means any or all of the followings:-
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-time Director;

- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act.

13. **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
14. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
15. **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
16. **“Threshold limit”** means the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregating to a traded value **in excess of one lakh rupees**.
17. **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell and deal in any securities.
18. **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
19. **“Trading Window”** means a trading period for trading in the Company's Securities as specified by the Company from time to time.
20. **“Unpublished Price Sensitive Information”** (or **“UPSI”**) means any information, relating to the 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 include 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; and

Words and expressions used and not defined in this Code but defined in the Regulations, SEBI Act 1992, Companies Act 2013, the Securities Contracts (Regulation) Act 1956 or the Depositories Act 1996, and the rules and regulations made thereunder, shall have the meanings respectively assigned to them in those legislations, as amended from time to time.

Functions, Duties and Responsibilities of the Compliance Officer

The Senior Officer designated by the Board will act as the Compliance Officer under Regulation 9(3) of the Regulation for monitoring compliance of the Code under the overall supervision of the Board of Directors of the Company.

The Compliance Officer shall:-

- a) be responsible for setting forth policies, procedures, administering the Code, updation of the Code and its amendments on the Company's website, preservation of the **UPSI**, pre-approval of requests from designated persons for transactions in securities of the Company and monitoring of trades and its implementation.
- b) maintain record of the Promoters, Directors, Key Managerial Personnels, Designated Persons and other connected persons and incorporate changes in the list from time to time.
- c) assist all concerned persons in addressing any clarifications regarding the Regulations and the Code.
- d) advice all concerned persons not to trade in securities of the Company when the Trading Window is closed.
- e) ensure that the **UPSI** are handled on a **need-to-know basis** and are not communicated to any person except in furtherance of legitimate purposes, in performance of legitimate duties and / or in discharge of legal obligations.
- f) report to the Board of Directors on a quarterly basis on all insider transactions and shareholding of Promoters, Directors, Key Managerial Personnels, Designated Persons and employees of the Company and compliances with the Code.
- g) advise the Promoters, Directors, Key Managerial Personnel and Designated Persons to furnish the details of transactions in the securities of the Company in the prescribed form and to maintain / preserve the record of all the intimations / declarations received for a period of at least five years.
- h) obtain disclosures from Promoters, Directors, Key Managerial Personnels and Designated Persons and to give information, in respect of the disclosures received, to all the Stock Exchanges where the securities are listed, as may be applicable.
- i) inform SEBI if there is any violation of the Regulation.

Communication or procurement of UPSI

- a) All information is to be handled confidentially and on a "**need to know**" basis i.e., **UPSI** should be disclosed only to those within the Company who need the information to discharge their duty or for other legitimate purposes.
- b) No insider shall communicate, provide, or allow access to any **UPSI**, relating to a Company or securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- c) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.
- d) A policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" has been formulated by the Board of Directors under Regulation 8.
- e) Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these

regulations.

- f) 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, and shall not otherwise trade in securities of the company when in possession of **UPSI**.
- g) The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- h) No insider shall, while in possession of any **UPSI**, either trade in the securities of the Company or pass on any information to any person, whether directly or indirectly, by way of making a recommendation for the purchase, sale or deal in any manner, in the securities of the Company.
- i) During the period when the **trading window** is closed or during any other period as may be specified or announced by the Company from time to time, no insider shall, either by themselves or through their relatives, trade in the securities of the Company or pass on any information to any person, whether directly or indirectly, to enable them to trade or deal in the securities in any manner.

Trading Window

- a) Designated persons may execute trades subject to compliance with this Code and the Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the Designated Persons. The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of **UPSI**. Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed.
- b) 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. and their immediate relatives, assisting or advising the Company.
- c) The notice of closure of Trading Window intimated by the Compliance Officer to the Stock Exchanges, wherever the securities of the Company are listed, shall be deemed as intimation to the Designated Persons / Insiders for adherence and compliance with this Code.
- d) The "**Trading Window**" shall be closed during the following periods:-
 - (i) From 1st January / 1st April / 1st July / 1st October of a quarter until 48 hours after the financial results / dividend detail is made generally available to the public, and
 - (ii) From the actual date of circulation of the agenda for the Board / Committee Meeting until 48 hours after the decision is made generally available to the public, wherein the decision is required to be taken on the following matters:-
 - a) change in the capital structure,
 - b) issue of securities by way of public / rights / bonus etc.,
 - c) any expansion plans or execution of the new projects or changes in operations,

- d) mergers, de-mergers, acquisitions, amalgamation, delisting or disposal of the undertakings,
 - e) material events in accordance with the listing agreement.
- e) The "**Trading Window**" may be closed by the Company during such time in addition to the above period, as it may deem fit by the Compliance Officer.

Pre-clearance of Trades

- (1) When the trading window is open, trading by Designated Persons and their immediate relatives shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is in excess of the threshold limit. No Designated Person/their immediate relatives shall apply for pre-clearance of any proposed trade if they are in possession of **UPSI** even if the trading window is not closed.
- (2) Designated Persons / their immediate relatives intending to deal in the securities of the Company upto the threshold limit, may do so without any pre-clearance from the Compliance Officer. In all other cases, they should obtain pre-clearance of the transactions in accordance with the procedure provided hereinafter.
- (3) Designated Persons / their immediate relatives shall make an application-cum-undertaking for pre-clearance of the proposed transactions in the prescribed **Form 1**, to the Compliance Officer indicating the estimated number of securities that he/she intends to deal in and such other details as may be required by the Compliance Officer in this matter.
- (4) Designated Persons / their immediate relatives shall execute their transactions in respect of securities of the Company within seven (7) trading days after the approval of pre-clearance is given **in Form 2**, failing which the transaction has to be pre-cleared again. Reporting of trades executed or decisions not to trade and recording of such reasons shall be made/done in **Form 3 along with Form C**.
- (5) Designated Persons / their immediate relatives shall not execute a contra trade during a period of less than six months following the prior transaction. In case of emergency, the six months holding period may be relaxed by the Compliance Officer (application to be made in **Form 4**) after recording the reasons in writing, provided that such relaxation does not violate this Code/ Regulations.
- (6) In case of the Compliance Officer intending to deal in the securities of the Company beyond the threshold limit, the pre-clearance of the Managing Director or in his absence, the Chairman of the Board, will have to be obtained. Similarly, in case of emergency, Compliance Officer may obtain the waiver from the Managing Director or in his absence, the Chairman of the Board, provided that such relaxation does not violate this Code/ Regulations.
- (7) In case a contra trade is executed, inadvertently or otherwise, by any designated person or their immediate relatives, 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 SEBI under the Act.

Reporting Requirements

Initial Disclosures

Every Promoter, Director and Key Managerial Personnel of the Company shall disclose his/her holding of securities of the Company including details of dependent family members, as on the date of this Code taking effect, to the Company within thirty days of this Code taking effect.

Every person on appointment as a Director or a Key Managerial Personnel of the Company or upon becoming a Promoter shall disclose his/her holding of securities of the Company including details of dependent family members, as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a Promoter.

Continual Disclosures

The Promoter, Director, Key Managerial Personnel and every designated person shall disclose to the Company, 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 the threshold limits as defined herein above.

The Company shall notify the particulars of such trading to the Stock Exchanges on which the securities are listed, as applicable, within two trading days of receipt of the disclosure or from becoming aware of such information.

The disclosure of the incremental transactions after any disclosure as above, shall be made by the Company to the Stock Exchanges, when the transactions effected after the prior disclosure cross the limit of Rs. 10,00,000/- as specified in Regulation 7(2)(a) of the Regulations.

The Promoter, Director, Key Managerial Personnel and every designated persons shall disclose to the Company, their holdings in the securities of the Company as on 31st December of each year, within 30 days of the close of the financial year in **Form 5**.

Note:

- 1. Trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for the purpose of making Initial/Continual disclosures as required above.*
- 2. Disclosures made as above shall include and cover immediate relatives of such person.*

Penalty for non-compliance of this Code

Any Promoter, Director, Key Managerial Personnel, designated or connected person, who trades in securities or communicates any information for trading in securities in contravention of this Code, shall be penalized and appropriate action shall be taken against them by the Company after giving them reasonable opportunity to be heard.

He / she shall also be subject to disciplinary action, as deemed appropriate by the Board of Directors which may include wage freeze, suspension, in-eligibility for future participation in ESOPs etc.

The person violating the Regulations or this Code, in addition to the action taken by the Company, shall also be subject to action under SEBI Act. In case of any violation, the Board of Directors shall inform the SEBI accordingly.

General

The decision of the Board of Directors with regard to any or all matters relating to this Code shall be final and binding on all concerned. The Board of Directors shall have the power to modify, amend or replace this Code in part or full, as may be thought fit from time to time in their absolute discretion.

Dated: 29 March 2019