



CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

CHAMAN METALLICS LIMITED



GROUP
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1. INTRODUCTION:

1.1 Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“The Regulations”), mandate every Listed Company to formulate, code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to the regulations.

1.2 Accordingly, this Code has been reviewed and approved by the Board of Directors and shall come into effect from the date of listing of the Equity Shares of the Company.

2. DEFINITION:

2.1 Unless the context otherwise requires, the following words, expression and derivations shall have the meaning assigned to them as under:

- a. **“Act”** means the Securities and Exchange Board of India Act, 1992.
- b. **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- c. **“Designated Person(s)”**, means:
 - i. Promoters of the Company;
 - ii. Directors of the Company and its subsidiaries;
 - iii. KMP of the company and Executive Secretaries of Directors;
 - iv. Secretaries / Executive Assistants/ Personal Assistants of CEO, Managing Director, Whole Time Director, Chief Financial Officer (CFO), Presidents, Vice Presidents.
 - v. Chief Executive Officer and All Employees up to two levels below of Chief

Executive Officer of the Company and its material subsidiaries, if any, irrespective of their functional role in the Company.

vi. Immediate Relatives of persons specified in (i) to (v) above.

vii. Any other Person designated by the Company on the basis of their functional role and such function would provide access to UPSI.

d. **“Need to Know Basis”** means, that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such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 a conflict of interest or appearance of misuse of the information.

2.2 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, or the Companies Act, 2013 and any other rules and regulations as drafted by SEBI from time to time be made shall have the meanings respectively assigned to them in those legislation.

3. DUTIES OF COMPLIANCE OFFICER:

3.1 The Compliance Officer shall report on Insider Trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

3.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulation and Company’s Code of Conduct.

4. PRESERVATION OF “PRICE SENSITIVE INFORMATION”:

4.1 All price sensitive information shall be handled within the Company on a “Need to Know basis” and no unpublished price sensitive information (UPSI) shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

4.2 Notwithstanding the above, UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- a. entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company;
- b. not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, 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, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

4.3 Files containing confidential information shall be kept secure and should be granted with limited access to that information. Computer files must have adequate security of login and password.

5. PROHIBITION ON INSIDER TRADING:

An Insider shall not, directly or indirectly

- i. Trade in securities that are listed or proposed to be listed when in possession of UPSI;
- ii. Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI;
- iii. Provide advise/ tips to any third party on trading in Company's securities while in possession of UPSI.

Provided the restriction above shall not apply to:

- i. a transaction that is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed trade decision; and
- ii. Trades pursuant to a Trading Plan set up in accordance with these Rules.

6. TRADING PLAN:

6.1 An insider shall be entitled, at his option, to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out in accordance with such plan.

6.2 In Such trading plan shall:

- a. not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the plan;
- b. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- c. entail trading for a period of not less than twelve months;
- d. not entail overlap of any period for which another trading plan is already in existence;
- e. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- f. not entail trading in securities for market abuse.

6.3 The Compliance Officer shall review such trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

- 6.4 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.
- 6.5 However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, 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. The commencement of the Plan shall be deferred until such UPSI becomes generally available information.
- 6.6 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

7. TRADING WINDOW AND WINDOW CLOSURE:

- 7.1 The Compliance Officer shall intimate the closure of trading window to all the Designated Employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates.
- 7.2 The trading period, i.e. the trading period of the stock exchanges, called "trading window", is available for trading in the Company's securities.
- 7.3 The trading window shall be, inter alia, closed from the end of every quarter till 48 hours after declaration of financial results. Trading Window for events other than financial results, shall be closed for the period as may be determined by the Compliance Officer of the Company from time to time. The Compliance Officer after taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

- 7.4 During closure of trading window, Designated Persons (and their immediate relatives) shall not trade in the securities of the Company.
- 7.5 All Designated Persons (and their immediate relatives) shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred above or during any other period as may be specified by the Company from time to time.
- 7.6 The trading window restrictions as aforesaid shall not apply in respect of –
- a. off-market inter-se transfer between insiders who were in possession of the same UPSI without violating the policy and both parties had made a conscious and informed trade decision
 - b. transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without violating the policy and both parties had made a conscious and informed trade decision
 - c. transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
 - d. transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
 - e. trades executed as per the trading plan set up in accordance with the policy.
 - f. Pledge of shares for a bonafide purpose such as raising of funds, subject to preclearance by the compliance officer.
 - g. Transactions undertaken in accordance to respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer.

ANNEXURE I

EVENTS OR INFORMATION THAT ARE TO BE DISCLOSED BASED ON MATERIALITY GUIDELINES LISTED IN THE POLICY

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

13. Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

ANNEXURE II

EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.
Explanation. - For the purpose of this sub-para, the word 'acquisition' shall mean,-
 - (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - a. the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - b. there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - a. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - b. any cancellation of dividend with reasons thereof;
 - c. the decision on buyback of securities;
 - d. the decision with respect to fund raising proposed to be undertaken

- e. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- g. short particulars of any other alterations of capital, including calls;
- h. financial results;
- i. decision on voluntary delisting by the listed entity from stock exchange(s):

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

- 5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- 6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
- 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- 8. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty-four (24) hours of receipt of such reasons from the auditor.
- 9. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- a. The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - b. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - c. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - d. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (a) and (c) above.
10. Appointment or discontinuation of share transfer agent.
11. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- a. Decision to initiate resolution of loans/borrowings;
 - b. Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c. Finalization of Resolution Plan;
 - d. Implementation of Resolution Plan;
 - e. Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders.
12. One-time settlement with a bank.
13. Reference to BIFR and winding-up petition filed by any party / creditors.
14. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
15. Proceedings of Annual and extraordinary general meetings of the listed entity.
16. Amendments to memorandum and articles of association of listed entity, in brief.
17. Analysts or institutional investors meet
- a. Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

- b. Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
 - i. the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - ii. the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
18. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
- a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
 - d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f. Appointment/ Replacement of the Resolution Professional;
 - g. Prior or post-facto intimation of the meetings of Committee of Creditors;
 - h. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI

(Insolvency Resolution Process for Corporate Persons) Regulations, 2016;

- i. Number of resolution plans received by Resolution Professional;
- j. Filing of resolution plan with the Tribunal;
- k. Approval of resolution plan by the Tribunal or rejection, if applicable;
- l. Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (i) Pre and Post net-worth of the company;
 - (ii) Details of assets of the company post CIRP;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the company;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the company, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor - revised P/E, RONW ratios etc.;
 - (ix) Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - (x) Brief description of business strategy
- m. Any other material information not involving commercial secrets.
- n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o. Quarterly disclosure of the status of achieving the MPS;
- p. The details as to the delisting plans, if any approved in the resolution plan.

19. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:

- a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.
