

RAJKUMAR FORGE LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

(As per Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) read with Schedule B of the Regulations.)

1. **OBJECTIVE:**

Code of Conduct for Prohibition of Insider Trading applies to all employees of the Company to ensure that information is handled within the organization on a need-to-know basis and no unpublished price sensitive information is communicated to any person except on a need to know basis and for performance of duties of the insider and / or discharge of his legal obligations.

The Board of Directors of the Company has adopted this revised policy on Insider Trading Policy (the “Policy”) to comply with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“SEBI Regulations”).

2. (i) **DESIGNATED PERSONS -**

Designated persons means persons who have been designated as such by the Board of Directors in consultation with the compliance officer as defined in the Regulations to be covered by the code of conduct on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:-

- Members of the Board of Directors;
- Promoters of the Company;
- Managing Director, Chief Financial Officer, and Company Secretary of the Company, its Holding Companies, material Subsidiary Companies, Associate Companies and Joint Venture Companies;
- Auditors of the Company, and its subsidiaries;
- All employees of the Accounts and Finance, Internal Audit, Secretarial Department and supporting staff working in IT department of the Company, its Holding Companies and material subsidiaries;
- Secretaries/Executive Assistants reporting to the Chairman or the Managing Director/Whole Time Director/Chief Financial Officer/ Company Secretary of the Company;
- All Business Heads and Unit Heads of the Company and its holding companies and material subsidiaries;
- Employees up to two levels below the Managing Director and its material subsidiaries irrespective of their functional role in the company or ability to have access to Unpublished Price Sensitive Information (UPSI);
- Employees of the Company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information -

#Fiduciary shall include Partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.

Intermediary shall include stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market.

- Such other person as may be identified by the Compliance officer; and
- Immediate relatives of above Designated Persons:
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.

(ii) Compliances by Designated Persons:

- a. Designated Persons shall be required to disclose Name and PAN or any other identifier authorized by law, like Aadhaar card number, passport number (in case of foreigner) of the following persons to the Company on an annual basis and as and when the information changes:

- Immediate relatives;
- Persons with whom such designated person(s) shares a material financial relationship;
- Phone number, Mobile Number which are used by them;

“Material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income excluding relationship in which payment made is at arm’s length basis.

Designated Persons shall also disclose on a one time basis the following information to the Company:

- Names of educational institutions from where designated persons have graduated;
- Names of the past employers of the designated persons.

- b. The Designated Persons, who trade in Securities when in possession of UPSI in contravention of the provisions of this Code or SEBI regulations, shall be liable to disciplinary actions, including wage freeze, suspension, recovery, claw back, etc., as may be decided by the Inquiry Committee formed pursuant to the Company’s Policy and Procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information (“UPSI”), comprising of Managing Director, Chief Financial Officer and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by the members of the Committee, on a case to case basis.

- c. The compliance officer shall report trading in securities of the Company by designated persons and their immediate relatives on a quarterly basis to the:
 - Board of Directors, and
 - Chairman of the Audit Committee.

3. **DEFINITIONS:**

A. **Compliance Officer -**

Compliance Officer means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

B. **Connected Person -**

Connected Person means:

- i) 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 unpublished price sensitive information 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 connected persons specified in clause (i); 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
 - 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.

C. Immediate Relative -

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.

D. Insider -

Insider means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information.

E. Promoter -

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.

F. Promoter Group -

Promoter group 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.

G. Unpublished Price Sensitive Information (“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. Declaration of Financial results (quarterly, half-yearly and annual);
- II. Declaration of dividends (interim and final);
- III. Issue of securities by way of public/ rights/bonus, etc.;
- IV. Any major expansion plans or winning of bid or execution of new projects;
- V. Amalgamation, mergers, takeovers and buy-back;
- VI. Disposal of whole or substantially whole of the undertaking;
- VII. Any changes in policies, plans or operations of the Company;
- VIII. Disruption of operations due to natural calamities;
- IX. Litigation/dispute with a material impact;
- X. Change in Key managerial personnel;

- XI. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.
- XII. Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

The "generally available information" means information that is accessible to the public on a non-discriminatory basis;

The SEBI Regulations prohibit the communication of UPSI to any person except as required under law.

Further, procuring any person to Trade in the securities of any company on the basis of UPSI is also prohibited under the SEBI Regulations and the securities laws. Violations of the SEBI Regulations and the securities laws subject Insiders to severe penalties including fines and imprisonment.

H. Trading -

Trading means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

I. Trading Day -

Trading day means a day on which the recognized stock exchanges are open for trading.

3. COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI):

- i) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- ii) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- iii) Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:
 - a) in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non-disclosure agreements being executed; or
 - b) in the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company; or
 - c) within a group of persons if such persons have been identified and secluded within a "Chinese Wall" or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other

conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the “Chinese Wall”, and the execution of an undertaking by such persons to abstain and / or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI.

4. TRADING WINDOW

- i. The Compliance Officer shall notify a ‘trading window’ during which the Designated Persons may Trade in the Company’s securities after securing pre-clearance from the Compliance Officer in accordance with these Rules.
- ii. Designated Persons and their immediate relatives shall not Trade in the Company’s securities when the trading window is closed.
- iii. The trading window shall be closed for all Insiders. The trading window will remain closed from end of the every quarter till 48 hours after the declaration of financial results.
- iv. Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer.
- v. The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.

5. TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

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.

Provided the restriction in 4 (i) above shall not apply to:

- a) a transaction that is an off-market inter-se transfer between Insiders 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;
- b) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of these Rules and both parties had made a conscious and informed trade decision;
- c) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction;
- d) 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.
- e) in the case of non-individual insiders:
 - the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were

not in possession of such unpublished price sensitive information 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 unpublished price sensitive information 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; and
- f) trades pursuant to a Trading Plan set up in accordance with these Rules.

6. **TRADING PLANS:**

- a. An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan;
- b. Such trading plan shall:
- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
 - ii. 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;
 - iii. entail trading for a period of not less than twelve months;
 - iv. not entail overlap of any period for which another trading plan is already in existence;
 - v. 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
 - vi. not entail trading in securities for market abuse.
- c. The compliance officer shall review the 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.

Provided that pre-clearance of trades, trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

- d. 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 unpublished price sensitive information 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 unpublished price sensitive information becomes generally available information so as to avoid a violation of the regulations.

- e. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

7. DISCLOSURE REQUIREMENTS:

A. Initial Disclosures -

- i. Every promoter, member of the promoter group, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;
- ii. Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

B. Continual Disclosures -

- i. Every promoter, member of the promoter group, designated person and director of every company 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 ten lakh rupees;
- ii. The disclosure shall be made within two working days of:
 - a. the receipt of intimation of allotment of shares; or
 - b. the acquisition or sale of shares or voting rights, as the case may be.

C. Disclosure to the Stock Exchange -

The Compliance Officer shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

D. Disclosures by other connected persons -

The Compliance Officer may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

8. Miscellaneous:

- i. The Board of Directors shall be empowered to amend, modify, interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.
- ii. The Compliance Officer shall provide the Audit Committee and the Board, on a quarterly basis, all the details of Trading in securities by the Insiders including any violations of the Rules.
- iii. The Compliance Officer shall maintain:
 - a. updated list of Insiders,
 - b. records of disclosures and pre-clearance applications and undertakings for a period of five years and
 - c. a confidential list of any 'restricted securities' to which the Compliance Officer may require Insiders to seek pre-clearance before Trading in such 'restricted securities'.
- iv. The Company shall require all Connected Persons to formulate and adhere to a code of conduct to achieve compliance with these Rules.
