



SHAH ALLOYS LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

(Effective from 22.05.2015 till further amendments)

This Code of Conduct to Regulate, Monitor and Report trading by Insiders of Shah Alloys Limited (“Company” or “SAL”) has been framed pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Definitions and Interpretation:

“**Act**” means the Securities and Exchange Board of India Act, 1992

“**Board**” means the Board of Directors of the Company;

“**Code**” shall mean this Code of Conduct to Regulate, Monitor and Report trading by Insiders of SHAH ALLOYS LIMITED;

“**Compliance Officer**” means Company Secretary of the Company or any senior officer designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliances under SEBI Insider Trading Regulations (“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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 Company.

Explanation – For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

“**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 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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
 - 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 Securities and Exchange Board of India; 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;

"Designated Persons" means

- a. All Directors;
- b. Key Managerial Personnel (KMPs) as per Companies Act, 2013;
- c. All employees above Gen. Manager cadre ;
- d. Every employee in the Finance & Accounts and Company Law & Legal Departments
- e. Promoters/Promoter Group of the Company;
- f. Persons in contractual, fiduciary or advisory relationship with the Company i.e. consultants, retainers, auditors, law firms, analysts etc;
- g. Other persons as designated by the Chairman of the Board of Directors in consultation with Compliance Officer of the Company, from time to time; and
- h. Immediate relatives of persons covered under clause (a) to (g) above.

"Director" means a member of the Board of Directors of SHAH ALLOYS LIMITED

"Employee" means all employees of SHAH ALLOYS LIMITED;

"Generally available information" means information that is accessible to the public on a non-discriminatory basis.

"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

"Insider" means any person who is:

- i. Designated person(s) & their immediate relatives
- ii. a connected person; or
- iii. in possession of or having access to unpublished price sensitive information;

“Key Managerial Personnel” in relation to a company, means -

- a. the Chief Executive Officer or the Managing Director or the Manager;
- b. the Company Secretary;
- c. the Whole-time Director;
- d. the Chief Financial Officer; and

such other officer as may be prescribed under Companies Act, 2013;

“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(s) thereof;

“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(s) thereof;

“SEBI Insider Trading Regulations” shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

“Securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification(s) thereof except units of a mutual fund;

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

“Trading Day” means a day on which the recognized stock exchanges are open for trading;

“Trading Window” shall mean the time period during which Dealing in Securities of SHAH ALLOYS LIMITED shall be permitted and which shall be as specified in paragraph 4.2.1 herein;

“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) financial results;
- ii) dividends;
- iii) change in capital structure;
- iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- v) changes in key managerial personnel; and
- vi) other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time

Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

1. Application and Scope:

This Code of Conduct shall apply to Designated Persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to Unpublished Price Sensitive Information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. The provisions of this Code shall be applicable irrespective of whether the Securities are held by Designated Persons solely or jointly along with any other Persons(s) or by their Immediate Relative.

2. Compliance Officer:

2.1 In accordance with the requirement of the SEBI Insider Trading Regulations, SHAH ALLOYS LIMITED shall always have a Compliance Officer, who shall report to the Board of Directors 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. The Compliance Officer shall be responsible for:

- Compliance of policies, procedures, maintenance of records
- Monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information as set forth in this Code and applicable laws
- Pre-clearing of the proposed trading in Securities of SHAH ALLOYS LIMITED by the Designated Persons and their immediate relatives
- Monitoring of Trading in Securities of SHAH ALLOYS LIMITED and the implementation of this Code under the overall supervision of the Board
- Determining of closing and reopening of Trading Window
- Approving and Monitoring of trading plan

2.2 The Compliance Officer shall assist the Designated Persons in addressing any clarification and/or issues relating to or arising out of the SEBI Insider Trading Regulations and the Code.

3. Confidentiality of Price Sensitive Information and Chinese Walls: Confidentiality of Price Sensitive Information

3.1.1 The Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. The Designated Persons shall not pass on such information to any person, directly or indirectly.

3.1.2 The Unpublished Price Sensitive Information is to be handled on a “need-to-know” basis, i.e. Unpublished Price Sensitive Information should be communicated only to those Designated Persons and/or to such other persons who need the information in furtherance of their legitimate purpose, performance of duties or discharge of their legal obligation and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

Chinese Walls:

3.2.1 To prevent the misuse of Unpublished Price Sensitive Information, SHAH ALLOYS LIMITED shall adopt a “Chinese Wall” policy which separates those areas of SHAH ALLOYS LIMITED which routinely have access to confidential information and considered to be “inside areas”, from other departments providing support services, considered to be ‘public areas’.

3.2.2 The Designated Persons in the inside areas shall not communicate any Unpublished Price Sensitive Information to anyone in the public areas.

3.2.3 In exceptional circumstances, the Designated Persons from the public areas may be brought to 'cross the wall' in furtherance of legitimate purpose, performance of duties or discharge of legal obligations and given the Unpublished Price Sensitive Information on a 'need-to-know' basis upon intimation to the Compliance Officer.

4. Restrictions on Trading in Securities of SHAH ALLOYS LIMITED:

4.1 The Designated Persons shall be subject to the restrictions on Trading in Securities of SHAH ALLOYS LIMITED as enumerated below.

4.2 Trading Window

4.2.1 The trading period or the Trading Window for Trading in the Securities of SHAH ALLOYS LIMITED shall be the period excluding the period as specified in paragraph 4.2.3. Subject to paragraph 4.2.5, the Designated Persons and their immediate relatives shall Trade in Securities of SHAH ALLOYS LIMITED only during the time period when the Trading Window is open.

4.2.2 The Designated Persons and their immediate relatives shall not Trade in Securities of SHAH ALLOYS LIMITED during the period when the Trading Window is closed.

4.2.3 The Trading Window restriction shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results for the respective quarter.

4.2.4 The timing for reopening of the Trading Window shall not be earlier than 48 hours after the information becomes generally available.

4.2.5 Notwithstanding anything to the contrary herein, if a Designated Person or his/her immediate relatives, intends to trade in the securities of SHAH ALLOYS LIMITED for an aggregate value in excess of Rs.10,00,000/- (Rupees Ten Lakh only) within calendar quarter then such Designated Persons should ensure that he/she shall pre-clear the Trade as per the pre-clearance procedure described in paragraph – 5. For the purpose of computing limit of Rs.10,00,000/-, the trading by the Designated Persons along with the immediate relatives shall be taken into consideration.

5. Pre clearance of Trading in Securities:

5.1 When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above such thresholds as specified in paragraph 4.2.5.

5.2 In the event pre-clearance is required for any trading under paragraphs 4.2.5 or 6.1 an application shall be made by the Designated Persons, to the Compliance Officer indicating the number of securities that the Designated Persons intends to trade with the details of the depository account, and such other details as may be required by any rule made by SHAH ALLOYS LIMITED in this behalf.

5.3 An undertaking shall be executed by such Designated Persons along with the said application. In case of immediate relatives, the undertaking in the specified format shall be given by the concerned Designated Persons.

6. Other Restrictions:

6.1 The Designated Persons shall, within 7 (seven) trading days after the pre-clearance is given, execute the Trade in respect of which the pre-clearance has been accorded. If the Trade is not executed within seven trading days after the pre-clearance is given, the Designated Persons, as the case may be, shall obtain pre-clearance again in accordance with the procedure detailed in paragraph 5.

6.2 The Designated Persons and their immediate relatives who have traded in accordance with the provisions of this code shall not execute a contra trade within 6 (six) months of such trade.

6.3 Relaxation may be given by the Compliance Officer, from strict application of aforesaid restriction as per 6.2 above for reasons to be recorded in writing provided that such relaxation does not violate this Code or the SEBI Insider Regulations.

6.4 Trading in Securities of SHAH ALLOYS LIMITED by the Designated Persons shall be exclusively on delivery basis and no short selling shall be undertaken by them.

7. Trading Plans:

7.1 An insider shall have an option 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.

7.2 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.

7.3 The compliance officer shall consider the trading plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the SEBI Insider Trading Regulations.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

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

7.4 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.

However, the implementation of the trading plan shall not be commenced if at the time of formulation of the plan, the insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further the insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

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

8. Reporting Requirements for Transactions in Securities:

8.1 Initial Disclosure

☑ Every Promoter, member of the Promoter Group, Key Managerial Personnel and director shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within Thirty days thereof. However, the said disclosure has been omitted vide Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2021 (w.e.f. April 26, 2021)

☑ Every person on appointment as a Key Managerial Personnel or a Director 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.

8.2 Continual Disclosures

☑ Every Promoter, member of the Promoter Group, Designated Person and Director 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 or such other value as may be specified by SEBI Insider Trading Regulations.

8.3 Disclosures by other Connected Persons

SHAH ALLOYS LIMITED may, at its discretion 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 in **Annexure IV (Form D)**.

8.4 Disclosures by Designated Persons

Designated Persons shall be required to disclose following information (as may be prescribed by the Compliance Officer) to the Company on an annual basis within 30 (thirty) days of close of the financial year of the Company and on continual disclosure basis, as and when the information changes within 30 (thirty) days of such change;

- i) Name of Immediate Relatives
- ii) persons with whom such designated person(s) shares a Material Financial Relationship
- iii) Permanent Account Number or any other identifier authorized by law of (i) & (ii)
- iv) (iv) Phone, mobile and cell numbers of (i) & (ii)

Explanation: -“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 from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.”

8.5 The Compliance Officer shall maintain records of all the declarations given by the Designated Persons for a minimum period of 5 (five) years.

8.6 The Compliance Officer shall place before the Chairman of the Board on quarterly basis all the details of the trading in the Securities of SHAH ALLOYS LIMITED received from the Designated Persons and their immediate relatives and details of such persons who have submitted trading plans as envisaged in this Code.

9. Penalty for Contravention of Code of Conduct:

9.1 In the event a Designated Person or his/her immediate relatives, trade in Securities or communicates any information for trading in Securities in contravention of this Code or otherwise violates the provisions of this Code, such Person shall be referred to the Audit Committee of Directors. The Board may, on the recommendations of the Audit Committee, stipulate the sanction and decide on the appropriate disciplinary action (which may include salary freeze, suspension, dismissal, recovery, clawback etc.).

9.2 Any amount collected under this clause shall be remitted to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

9.3 The action by SHAH ALLOYS LIMITED shall not preclude SEBI from taking any action under SEBI Insider Trading Regulations.

10. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015:

In case it is observed by the Company that there has been a violation of SEBI Insider Trading Regulations, the Company promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the SEBI from time to time.

11. UPSI Matters

11.1 Policy for determination of “legitimate purposes for sharing UPSI”

The Board of Directors of SHAH ALLOYS LIMITED have formulated and approved a policy to be implemented for determination of “legitimate purposes for sharing UPSI” as a part of “Codes of Fair Disclosure and Conduct” in sync with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018, and the same is outlined in Code of Practices & Procedure for fair disclosure of UPSI.

11.2 Policy and Procedure for enquiry in case of leak of UPSI

The Board of Directors of SHAH ALLOYS LIMITED have formulated and approved policies and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information in sync with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 for initiation of appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and to inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

11.3 Identification of UPSI and maintaining its confidentiality

All the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of this Code and SEBI Insider Trading Regulations.

11.4 Structured Digital database of Persons with whom UPSI is shared

The Board of Directors shall ensure that a structured digital database is maintained containing nature of UPSI information and the names of such persons who have shared the information and also the names of such persons 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 not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The board of directors shall ensure that the structured digital database is preserved for the period as specified in **SEBI Insider Trading Regulations**.

12. Other Matters

12.1 Process on how and when people are brought “inside” on sensitive transactions

The Compliance Officer in consultation with MD of the Company shall decide on how and when any person(s) should be brought ‘inside’ on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

- i) in the ordinary course of business.
- ii) in furtherance of performance of duty(ies);
- iii) for discharge of legal obligation(s).
- iv) for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company.
- v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

12.2 Intimation of Duties, Responsibilities and Liabilities of Persons brought inside on sensitive transactions

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons, in the format as set out in by the Compliance Officer in consultation with the Managing Director of the Company;

- i) To make aware such person that the information shared is or would be confidential.
- ii) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

12.3 Internal Control System

The Managing Director of SHAH ALLOYS LIMITED shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and PIT regulations to prevent insider trading.

12.4 Review of Compliances of Code and verification of Internal Control System

The Audit Committee of SHAH ALLOYS LIMITED shall review compliance with the provisions of this Code and SEBI Insider Trading Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

13. Reporting under Vigil Mechanism / Whistle Blower Policy

The Vigil Mechanism / Whistle Blower Policy formulated pursuant to relevant regulations, by the Board of Directors and available on the website of the Company could be resorted to, for reporting any non-compliance under this Code and/or SEBI Insider Trading Regulations, including instances of leak of Unpublished Price Sensitive Information, whether the concern is reported to Company as provided under the Vigil Mechanism / Whistle Blower Policy or to SEBI as provided under the said Regulations.

Further, an employee who files a Voluntary Information Disclosure Form to the SEBI, as prescribed under the said Regulations, shall be provided suitable protection against any victimization, as provided under the said Regulations, as amended from time to time.

14. Amendment

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code. In any circumstance, where the terms of this Code are inconsistent with the provisions of any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Code. This Code shall be published on the official website of the Company. Subsequent modification(s)/amendment(s) to SEBI (Prevention of Insider Trading) Regulations, 2015 and any amendment thereto shall automatically apply to this Code.
