



**CODE OF CONDUCT TO REGULATE,  
MONITOR AND REPORT TRADING BY  
INSIDERS OF  
SCAN STEELS LIMITED**

**(EFFECTIVE FROM 1<sup>ST</sup> April, 2019)**

**Our Belief and Reason for this Code** – The Company places utmost emphasis on achieving the highest level of transparency, accountability and fairness in all facets of its operations and dealings with its stakeholders.

**Introduction:** Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (**the “Regulations”**) requires a listed company to formulate a “Code of Conduct to Regulate, Monitor and Report Trading” by its employees, Designated Persons and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations. Accordingly, in supersession of the previous Code of Conduct to prevent Insider trading, adopted by the Company, a **Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the “Code”)** for Scan Steels Limited (**the “Company”**) is hereby framed as under :

This policy shall be applicable to all Insiders (as defined herein) of the Company including designated persons and immediate relatives of designated persons as defined in this Code. The SEBI Regulations prohibit an Insider from Trading in the securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information.

The SEBI Regulations prohibit the communication of UPSI to any person except in compliance with applicable law. Further, procuring any person to Trade in the securities of any company when in possession 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 disgorgement proceedings, fines and imprisonment as per the applicable law.

**Important definitions:**

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

b. **“Compliance Officer”** means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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.

c. **“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) A director of the Company
- (iii) A Key Managerial Personnel /officer of the Company
- (iv) 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 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- (k) A Key Managerial Personnel of the Company;

**d. "Generally available Information"** means information that is accessible to the public on a non-discriminatory basis. Information which is published on the website of stock exchange/s where the securities of the Company are listed or published in News Papers by the company, would ordinarily be considered generally available.

**e. "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

**f. "Insider"** means any person who,

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

**g. "Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, pledge, unpledge, deal in the company's securities either directly or through portfolio management services, and "trade" shall be construed accordingly.

**h. "Trading Day"** means a day on which the recognized stock exchanges are open for trading;

**i. "Unpublished Price Sensitive Information"** 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:

- (a) Financial results;
- (b) Dividends;
- (c) Change in capital structure;
- (d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- (e) Significant corporate events, such as a pending or proposed acquisition or joint venture;
- (f) Plans to launch new products or product defects that have a significant impact;
- (g) Significant developments involving business relationships with customers, suppliers or other business partners;
- (h) Changes in auditors as per statutory requirement or otherwise or auditor notification that the issuer may no longer rely on an audit report;
- (i) Events regarding the Company's securities (such as repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, public or private sales of additional securities or information related to any additional funding);
- (j) Bankruptcies, receiverships or financial liquidity problems;
- (k) Positive or negative developments in outstanding litigation, investigations or regulatory matters with significant impact on financial results; or
- (l) Any changes to the Company's Board of Directors or the Company's key managerial personnel and key agreements with them;

**j. Designated Person"**

- i) Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
- ii) All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
- iii) Directors of the Company, Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- iii) Any support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.]

**k. 'Securities'** shall mean the securities issued by the Company from time to time.

**l. Audit Committee'** shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**m. Contra trade** "Contra Trade" means a trade or transaction which involves buying or selling any number of shares of the Company and within 6 months trading or transacting in an opposite transaction involving sell or buy following the prior transaction."

**n. "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 but shall exclude relationships in which the payment is based on arm's length transactions.

**o. Legitimate purpose** "Legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations

**p. 'SEBI'** means Securities and Exchange Board of India.

**q. 'Leak of UPSI'** shall refer to such act / circumstance(s) by virtue of which an UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.

**r. Regulations'** means the SEBI (Prohibition of Insider Trading) Regulations, 2015

**s.** Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 there under shall have the meanings respectively assigned to them in those legislations.

## **I (a) Prohibition on communicating or procuring UPSI**

An Insider shall not –

- i. communicate, provide, or allow access to any UPSI, relating to the Company or its securities, to any person including other Insiders, except to the extent allowed by these Code or SEBI Regulations; or
- ii. procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities.

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

- i. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate notice, confidentiality and non-disclosure agreements being executed; or
- ii. entail an obligation to make an open offer under the SEBI takeover regulations where the Board of Directors of a company is of informed opinion that the proposed transaction is in the best interests of the company;
- iii. not attract the obligation to make an open offer under the SEBI takeover regulations but where the Board of Directors of a 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.

- iv. 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 and has become generally available.

**(b) Prohibition on Insider Trading**

An Insider shall not, directly or indirectly, –

- i. Trade in securities of the Company 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 and An insider who has ceased to be associated with the Company shall not, for a period of six months from date of such cessation, directly or indirectly trade in the Company's Securities while in possession of UPSI.

Trading in Securities of other companies. No Insider may, while in possession of unpublished price sensitive information about any other public company gained in the course of employment with the Company, (a) trade in the securities of the other public company, (b) "tip" or disclose such material non-public information concerning that company to anyone, or (c) give trading advice of any kind to anyone concerning the other public company.

No Insider may take positions in derivative transactions in the securities of the Company at any time.

The restriction in (b) (i) above may 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 Code and both parties had made a conscious and informed trade decision; Provided that such off-market trades shall be reported by the insiders to the

company within two working days. company shall notify the particulars of such trades to the stock exchange within two trading days from receipt of the disclosure or from becoming aware of such information.;

(b) Trades pursuant to a Trading Plan set up in accordance with these Code and SEBI Regulations.

When a person has traded in securities while in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

## **II. Code**

### **1. Reporting**

The Board of Directors of the Company has appointed the Company Secretary as the Compliance Officer who is the officer responsible for implementation and monitoring of this Code.

The Compliance Officer shall set forth the policies, procedures, monitor & ensure adherence to the rules for the preservation of UPSI, pre-clear the trades in the Securities of the Company of the Designated Persons and their Immediate Relatives, monitoring of their trades and maintenance of records of such trades.

The Compliance Officer shall report to the Board of Directors ("**Board**") and in particular, shall provide reports to the Chairman of the Board or Chairman of Audit Committee, at such frequency as may be stipulated by the Board all the details of the Trading in the Securities of the Company by Designated Persons and their Immediate Relatives including any violations of the Rules.

### **2. Information on a need to know basis & Chinese Wall procedures**

All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.

The Designated Persons shall maintain the confidentiality of all UPSI, to the extent available with them. They shall not pass on such information to any person directly or indirectly whether by way of making a recommendation for the purchase or sale of Securities or otherwise.

The Designated Persons shall follow the procedure prescribed under the Regulations (given below for ease of reference) when dealing with UPSI:

#### **Norms for appropriate Chinese Walls procedures & processes will be as under:**

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "**inside areas**" from those areas which deal with sale/ marketing or other departments providing support services, considered "**public areas**".
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

### **3. Designated Persons**

Employees and connected persons designated on the basis of their functional role ("**Designated Persons**") in the Company shall be governed by an internal code of conduct governing dealing in securities. The Chairman of the Board shall in consultation with the Compliance Officer specify designated persons to be covered by such Code on the basis of their role and function in the organisation.

Designated Persons are prohibited from creating a pledge on the Securities of the Company held by them while in possession of UPSI. Creation or invocation of pledge is not allowed during 'Trading Window Closure Period'. However, the pledgor or pledgee may demonstrate that the creation of pledge or invocation of pledge was bona fide and prove their innocence.

Exercise of Stock Options shall not be considered to be "Trading" except for the purpose of disclosures of trading by the Insiders and hence the restriction relating to execution of contra trade for six months shall not apply to the shares arising out of exercise of stock options. However, other provisions of the Regulations and this Code shall apply to the sale of Securities so acquired by way of exercise of Stock Options.

#### **Trading window**

4. Compliance Officer may specify 'Trading Window Closure Period' (means the period when trading window is closed for the Company's Securities) from time to time and make an announcement thereof to the stock exchanges on which the Securities of the Company are listed.

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 Code. The competent authority for pre-clearing the Trade of Compliance Officer shall be Board.

Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument for 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 unpublished price sensitive information. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Compliance Officer shall ensure that Trading Window Closure Period is promptly intimated to the Designated Persons through the mechanism of adding the Securities of the Company to the 'Restricted List'. Compliance Officer shall assist the Designated Persons in addressing any clarifications regarding the Regulations and this Code.

5. The trading window for the Company's Securities shall be closed during the time any UPSI remains unpublished. The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising the Company.



6. The trading window shall generally be closed for all Insiders between the twentieth day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after disclosure of such financial results. In compliance with Regulation 5(2)(ii) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

And as per provision of Clause 4 of the Schedule B (wherein compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information). In any case, the trading restriction period commence not later than end of every quarter till 48 hours after the declaration of financial results.

### **Maintenance of Records**

The Compliance Officer shall maintain records of:

- (i) an updated list of Designated Persons & any changes made to the list of the Designated Persons mentioned at serial in the definition of "Designated Persons".
- (ii) all records of disclosures and pre-clearance applications and undertakings received from the Designated Persons and on behalf of their Immediate Relatives for a period of five years.
- (iii) Trading Window Closure Period specified from time to time.
- (iv) a confidential list of any 'restricted securities' to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such 'restricted securities'.

### **Limited access to UPSI**

Files containing UPSI shall be kept secure. Computer files must have adequate security of login and password. Files containing confidential information should be deleted/destroyed after its use. Shredder should be used for the destruction of physical files.

### **Pre-clearance & trades**

All Designated Persons and their Immediate Relatives who intend to Trade in the Securities of the Company shall pre-clear the Trades as per the pre- clearance procedure described hereunder. Same process shall be followed in case Designated Persons and their Immediate Relatives intend to pledge the Securities of the Company. The Designated Persons and their Immediate Relatives shall not apply for pre-clearance of any trade if they are in possession of UPSI even during the Free Period.( Free Period means any period other than the Trading Window Closure Period.)

Application-cum-undertaking for pre-clearance (**Annexure-I**) shall be made to the Compliance Officer. The Compliance Officer shall retain records of all applications and approvals.

6. 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 trade(s) is above a minimum threshold limit of Rs.10,00,000/- (Rupees Ten Lakh) in value over any calendar quarter. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

7. The Compliance Officer shall confidentially maintain a list as a "restricted list" as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

8. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

9. Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.

10. The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per form C. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.

11. A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such contra trade is executed, inadvertently or otherwise, in violation of

such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

12. Further, all Designated Persons and their Immediate Relatives are prohibited to enter into derivative contracts, if any, in the Securities of the Company.

**Some of the examples of do ability of trades are provided below for the ease of understanding of what trading can and cannot be done**

(i) If a Designated Person has sold any Securities, he can subscribe and exercise Stock Options at any time after such sale, without attracting contra trade restrictions as described in Other restrictions contained herein.

(ii) Where a Designated Person acquires Securities by exercise of Stock Options and subsequently sells/pledges those Securities, such sale shall not be considered as a contra trade within the meaning of this Code and the Regulations.

(iii) Where a Designated Person who has purchased the Securities (say on August 01, 2015), acquires Securities later by way of exercise of Stock Options (say on September 01, 2015) and subsequently sells/pledges (say on October 01, 2015) the Securities so acquired by way of exercise of Stock Options, the sale will not be considered a contra trade. However, such Designated Person will not be able to sell the Securities purchased on August 01, 2015 during the period of six months from August 01, 2015.

(iv) Where a Designated Person who has sold Securities (say on August 01, 2015), acquires Securities later by way of exercise of Stock Options (say on September 01, 2015) the acquisition of Securities by way of exercise of Stock Options shall not be a contra trade.

Further, such Designated Person can sell/pledge Securities so acquired at any time without attracting contra trade restrictions. Such Designated Person, however, will not be able to purchase further Securities (other than by way of exercise of Stock Options) during the period of six months from August 01, 2015 when he/she had sold Securities.

The 'contra-trade' restrictions as described under Clause 4.2 hereafter shall not apply to buy back offers, open offers, rights issues, FPOs, bonus, etc. if any, in the Securities of the Company.

### **13. Trading Plans**

An Insider (as defined in the Regulations) shall be entitled to formulate a Trading Plan and present it to the Compliance Officer for approval and public disclosure as required under the Regulations. The trades may be carried out on behalf of such Insider in accordance with such plan as permitted under the Regulations.

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 Company 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 of the Company to be traded along with the nature of the trades and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in Securities of the Company for market abuse.

Designated person shall not exercise any influence over the amount of securities to be traded, the price at which they are to be traded, or the date of the trade. Designated person may delegate discretionary authority to his/her broker, but in no event Designated person may consult with the broker regarding executing transactions, or otherwise disclose information to the broker concerning the Company that might influence the execution of transactions, under the Trading Plan after it commences.

The Compliance Officer shall review the Trading Plan to assess whether the Plan would have any potential for violation of the 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 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.

The Trading Plan once approved shall be irrevocable and the concerned 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 Designated Person is in possession of UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information.

Any trading opted by a person under Trading Plan can be done only to the extent and in the manner disclosed in the plan, save and except for pledging of the Company's Securities.

Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the Stock Exchanges on which the Securities of the Company are listed.

### **13. Disclosure Responsibilities & formats**

The disclosures to be made by any person under this Clause shall include those relating to trading by such person's Immediate Relatives, and by any other person for whom such person takes trading decisions.

#### **A. Initial Disclosures of holdings**

The promoter(s)/Members of Promoter Group, key managerial personnel and director of the Company and each of their Immediate Relatives shall disclose (**Form A**) his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter/ Members of Promoter Group shall disclose (**Form B**) his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.

Every Designated person shall disclose details like Permanent Account Number, names of educational institutions from which they have graduated and names of their past employers.

#### **B. Continual Disclosures of trades**

Every Designated person shall disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a1. Immediate relatives
- a2. persons with whom such designated person(s) shares a material financial relationship
- a3. Phone and mobile numbers which are used by them

The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per (**Form C 1**). In case the transaction is not undertaken, a report to that effect shall be filed in the said form.

Promoter(s), member of the promoter group, designated person, and director of the Company shall disclose to the Company (**Form C 2**) the number of such securities acquired or disposed of within two (2) 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 Rs. 10,00,000/- (Rupees Ten lakh) or such other value as may be specified;

For the purpose of calculation of threshold for disclosures relating to pledge, the market value of the Company's Securities on the date of pledge/revocation of pledge transaction shall be considered. For instance, if the pledgor has availed a loan of Rs 10 Lakh against which he has pledged Securities worth Rs 15 Lakh, the value of transaction for the purpose of disclosure would be considered as Rs 15 Lakh.

The disclosure shall be made within two working days of:

- i. the receipt of intimation of allotment of shares, or
- ii. the acquisition or sale of shares or voting rights, as the case may be.

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading. (**Form D**)

**C. Other formats / disclosures, to monitor compliance with these Regulations would be as under:**

- Application-cum-undertaking for pre-clearance (**Annexure-I**)
- All Designated Persons must make an annual disclosure of the number of Securities of the company held as on 31st March each year by them in (**Form E**) including details of purchase / sale of Securities of the Company during the financial year to the Compliance Officer. This disclosure must be made within 30 (thirty) days from the close of each financial year.

**D. Disclosure by other Connected Persons**

The Compliance Officer may, at his discretion, require any other connected persons or class of connected persons to make disclosures of holdings and trading in Securities of the Company in such form (FORM F) and at such frequency as may be determined by the Compliance Officer in order to monitor compliance with this Code and the Regulations.

**12. Penalty for contravention of Code of Conduct**

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

### **13. Applicability of the Code to certain persons**

The Regulations apply to certain 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. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

This Code is subject to review from time to time.

### **14. Miscellaneous**

- 1) The Board of Directors shall be empowered to amend, modify, and interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.
- 2) The Company shall require all Connected Persons to formulate and adhere to a code of conduct to achieve compliance with these Rules. In case such persons observe that there has been a violation of these Rules, then they shall inform the Board of Directors of the Company promptly.
- 3) Any suspected violation of leak of unpublished price sensitive information or violation of this policy can be reported under whistle blower policy
- 4) It is the responsibility of the Connected Person to ensure compliance with the Code of Conduct.
- 5) The policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information is enclosed and forms integral part of this policy.

The Company is committed to continuously reviewing and updating its policies, and the Company therefore reserves the right to amend this Policy at any time, for any reason, subject to applicable law.

These Rules are subject to the applicable prevailing law in relation to prevention of Insider Trading and if there is any inconsistency between any of the provisions of these Rules and applicable law, the applicable law shall prevail.

<b>Forms</b>	<b>Particulars</b>	<b>Compliance &amp; time line</b>
<b>Disclosure Forms</b>		
<b>Form A</b>	<b>First Disclosure</b>	First Disclosure after the Code is adopted.
<b>Form B</b>	<b>Initial Disclosure</b>	Disclose within 7 days of appointment as a Key Managerial Personnel/ director or becoming a promoter
<b>Form C-1</b>	<b>Disclosure of Transaction / Reporting of Trades by Designated Person</b>	Disclose within 2 trading days of transaction / trading in securities of the Company
<b>Form C-2</b>	<b>Continual Disclosures of trade/ dealing</b>	Disclose within 2 trading days – Every promoter(s)/ employee/ director is required to inform of trading/dealing in securities if value of securities (whether in one transaction or more transactions during a calendar quarter) is more than Rs. 10,00,000/- (Rupees Ten lakh)
<b>Form E</b>	<b>Reporting Holding Annually</b>	Designated Persons to report securities held as on 31 <sup>st</sup> March, on an annual basis by 30th April
<b>Form F</b>	<b>Reporting By Connected Person</b>	Details of trading in securities by other connected persons as identified by the company at such frequency as Compliance Officer may determine
<b>Internal Forms</b>		
<b>Annexure I</b>	<b>Application-cum-undertaking for pre-clearance</b>	Designated person to apply to pre-clear deal/trade In the securities of the Company which in value Over a calendar quarter, would exceed Rs. 10 Lakh.
<b>Annexure II</b>	<b>Application for waiver of minimum period for Contra trade</b>	Apply in case of emergency (reasons recorded In writing) the 6 months period to abstain from contra trade may be waived by the Compliance Officer
<b>POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION</b>		

**FORM A**

**First/Initial Disclosure of Securities**

**SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]  
Details of Securities held by Promoters, key Managerial Personnel (KMP), Director, and other such person as mentioned in Regulation 6 (2)**

**To,**  
**The Compliance Officer,**  
**Scan Steels Limited**  
**ISIN of the Company: INE099G01011**

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on \_\_\_\_\_ (date of becoming Specified Person).

**I. Details of securities held by me :**

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc)	Securities held as on the date of regulation coming into force				% of Shareholding
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	Folio No.	Beneficiary A/c Client ID	
1	2	3	4	5	6	7

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**II. Details of securities held by dependent(s):**

Name of Relative	Relationship	Type of securities	No. of Securities held	Folio No	Beneficiary A/c Client ID

**Name:**  
**Designation:**  
**Date:**  
**Place:**

**Signature:** \_\_\_\_\_

\* This form is required to be submitted within 30 days from adoption of the Code.



**FORM B**  
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7(1)(b) read with Regulation 6(2)] Disclosure on becoming a**  
**director/KMP/Promoter]**

To,  
The Compliance Officer,  
Scan Steels Limited  
ISIN of the Company: INE099G01011

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a Listed Company and other such persons as mentioned in Regulation 6(2).

Name, PAN No. CIN/DIN & Address with contact No.s	Category of Person (Promoters/KMP/ Directors /immediate relatives/others etc.)	Date of appointment of Director/KMP or Date of becoming Promoter	Securities held at the time of becoming Promoter/ Director/KMP	% of Shareholding
			Type of security	Number of Security

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Name:**  
**Designation:**  
**Date:**  
**Place:**

**Signature:** \_\_\_\_\_

\*This form is required to be submitted within 7 days of appointment as a Key Managerial Personnel/ Director or becoming promoter

**FORM C-1**  
**Disclosure of Transactions**  
**Form for Reporting of Trades by Designated Person**

**To,**  
**The Compliance Officer,**  
**Scan Steels Limited**  
**ISIN of the Company: INE099G01011**

**Date:** \_\_\_\_\_

Sub – Form for Reporting of Trades Executed by Designated Person

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to securities as mentioned below on (date)

(strike out whichever is not applicable)

<b>Name of holder</b>	<b>No. of securities traded</b>	<b>Bought / sold/subscribed</b>	<b>DP ID/Client ID/Folio No.</b>	<b>Price (Rs.)</b>

I declare that the above information is correct and that no provisions of the Company's Rules and/or applicable laws /regulations have been contravened for effecting the above said transactions(s).

**Name:**  
**Designation:**  
**Place:**  
**Signature** \_\_\_\_\_

\*This form is required to be submitted within 2 trading days of transaction / trading in securities of the Company).



**II. Details of trades executed in excess of the prescribed threshold by immediate relatives/dependent(s) :**

<b>Name of Seller/ Purchaser</b>	<b>Relationship With the Employee</b>	<b>No. Of Shares Sold/Purchased</b>	<b>Date of Trade</b>	<b>Sale/ Purchase Price (Rs.)</b>	<b>Sale/Purchase Value (Rs.)</b>	<b>DP ID &amp; Client ID</b>	<b>DP Name</b>

**Note: 1.** Minimum threshold limit is trading of Rs.10,00,000/- per calendar quarter.

**Note: 2.** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading Regulations, 2015).

**Kindly take the same on record.**

**Thanking you,**

**Name :**

**Designation:**

**Date:**

**Place:**

**Signature**\_\_\_\_\_

\*This form is required to be submitted within 2 trading days of dealing in securities if value of securities (whether in one transaction or more transactions during a calendar quarter) is more than Rs. 10,00,000/- (Rupees Ten lakh).

**FORM E  
ANNUAL DISCLOSURE**

To,  
The Compliance Officer,  
Scan Steels Limited  
ISIN of the Company: INE099G01011

Date: \_\_\_\_\_

**I. Statement of Shareholding of Directors\*/Key Managerial Personnel\*/Designated Employees\* in Scan Steels Limited**

Name	Designation / Department	No. of Securities held on 01st April 20__	No. of Securities Bought during Year	No. of Securities Sold during Year	No. of Securities held on 31st March 20__	Folio/DP ID/Client ID/ PAN

**II. Details Of Shares Held By Dependents**

Name	Relationship	No. of Securities held on 01st April 20__	No. of Securities Bought during the year	No. of Securities Sold during the year	No. of Securities held on 31st March 20__	Folio/DP ID/Client ID / PAN

I/We hereby declare that I/We have complied with the Code and SEBI Regulations with respect of the Securities purchased/ sold.

I/We further declare that the above disclosure is true and correct and is in accordance with the previous disclosure given to the Company.

**Name**

**Designation:**

**Place:**

**Signature** \_\_\_\_\_

\* Delete whichever is not applicable

\* This form is required to be submitted within 30 days from the end of the financial year (ie. 30<sup>TH</sup> April).

**FORM F (Indicative format)**

**SEBI (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by Other connected persons as identified by the company.**

**Details of trading in securities by other connected persons as identified by the company**

Name, PAN, CIN/DIN, & company address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition/disposal (on market/public/rights/ Preferential offer / off market/Interse transfer, ESOPs etc. )
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/Sale/Pledge / Revoked/Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Name:**

**Date:**

**Place:**

**Signature:**

## Application-cum-Undertaking for Pre-clearance of Trade

Date: \_\_\_\_\_

To  
The Compliance Officer  
Scan Steels Limited  
104-105, E-Square,  
Subhash Road,  
Vile- Parle (E)  
Mumbai – 400 057

## Designated Person details

Folio No./ Client ID/DP ID: \_\_\_\_\_

Name : \_\_\_\_\_

Employee No.: \_\_\_\_\_

PAN No.: \_\_\_\_\_

Designation : \_\_\_\_\_

Department  
: \_\_\_\_\_

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and With reference to the Company's Code of Conduct to Regulate, Monitor and Report Trading By Insiders, I seek your approval to purchase/sell/subscribe .....(nos.) equity shares of the Company. I/ We hereby declare that the shares to be sold have been held by me/ us for minimum period prescribed in the Code.

## DETAILS OF SHAREHOLDING OF SPECIFIED PERSONS AND / OR FAMILY MEMBERS:

Name of the applicant	Designation/ Relations hip	No. Of Shares Held as on Date	Folio No./ DP ID/Client ID	Nature of Transaction for which approval is sought (Buy/ Sell/ Subscribe/ Pledge)	No. Of Shares to be Dealt	Proposed date of trading in securities	Estimated number of securities proposed to be purchased /subscribed/s old/Pledge)	Current market Price (as on date of applicaion)	Whether the proposed Transaction will be Through SE or off-market trade	Folio No./ DP ID/Client ID Where the Securities Will be Credited/ Debited

## UNDERTAKING FOR PRE-CLEARANCE

I hereby state that:

- I do not have access to nor do I have any "Unpublished Price Sensitive Information" ("UPSI") up to the time of signing this undertaking;
- In case, I receive any UPSI after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public;
- I have not contravened the provisions of the Code as notified by the Company from time to time;
- I have made full and true disclosure in the matter;
- I will execute the order in respect of the securities within 1 week after approval is granted by Compliance Officer, failing which I shall apply for pre-clearance again from the Compliance Officer;
- I shall not execute a contra-trade for a minimum period of 6 months. If a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

Date &amp; Signature of the Applicant \_\_\_\_\_

**Note:** Minimum threshold limit is trading of Rs.10,00,000/-, per calendar quarter.

## PRE-CLEARANCE ORDER

Please complete Purchase/ Sale of \_\_\_\_\_ shares by \_\_\_\_\_ (date). Please confirm the transaction by completing Feedback Form below and returning the same to the undersigned.

Date &amp; Signature of the Compliance Officer \_\_\_\_\_

## FEEDBACK ON OUTCOME OF THE APPLICATION

I confirm that the transaction of purchased / sale \_\_\_\_\_ (nos.) shares was completed on \_\_\_\_\_ (date).

Date &amp; Signature of the Applicant \_\_\_\_\_

**Annexure II**

**Application for waiver of minimum period for Contra trade**

Date: \_\_\_\_\_

**To**  
**The Compliance Officer**  
**Scan Steels Limited**  
**104-105, E-Square,**  
**Subhash Road,**  
**Vile- Parle (E)**  
**Mumbai – 400 057**

**Employee details**

**Name :** \_\_\_\_\_

**Employee No.:** \_\_\_\_\_

**Designation :** \_\_\_\_\_

**Department :** \_\_\_\_\_

**Through Division / Department Head**

Dear Sir,

I seek your approval to grant me waiver of the time restrictions and permit me to execute a contra-trade for .....(number of securities) of the Company due to ..... (give valid reason(s) for executing contra trade).

I declare that I am not in possession of any UPSI up to the date of this application.

I further declare that in case I have access to any UPSI after the signing of this application and before executing a contra Trade (if permitted), I shall:

1. Promptly inform the Compliance Officer
2. Refrain from trading in securities of the Company.

Thanking you,  
Yours faithfully,

Name & Signature

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**FEEDBACK ON OUTCOME OF THE APPLICATION**

Approved/ Disapproved:

In case approved, transaction of sale \_\_\_\_\_ (nos.) shares to be completed by \_\_\_\_\_ (date).

Reasons:

Date & Signature of the Compliance Officer \_\_\_\_\_



## **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **Preamble**

This Policy is framed with an aim to implement a structured procedure for investigation in case of leak or suspected leak of UPSI.

### **Applicability**

This policy shall apply to all Insiders and any other persons as assigned by law from time to time.

### **Process of inquiry in case of leak of UPSI or suspected leak of UPSI**

1. Complaint (written or oral or electronic) regarding a leak or suspected leak of UPSI may be received by the Company from the following sources:
  - a. **Internal:**
    - i. Whistleblower vide the whistleblower process as illustrated in the Scan Steels Whistleblower Policy;
    - ii. Any leak or suspected leak of UPSI detected through the internal controls implemented by the Company.
  - b. **External:**  
Registrar and Share Transfer Agent, Depository, Stock Exchange, Regional Director, Registrar of Companies, regulatory / statutory authority or any other department of Central or State Government based on the complaint received from a whistleblower  
(above shall be collectively referred to as "Complaint(s)")
2. The Chief Compliance Officer shall report the Complaint to the Audit Committee within a reasonable time from the date of receipt of the Complaint;
3. The Audit Committee shall review the Complaint and shall discuss with the Chief Compliance Officer /Company Secretary on potential next steps including but not limited to seek additional information to consider an investigation, disclosure requirements to the regulatory authorities, appointment of an investigation panel consisting of internal employees or external agencies. If the Complaint implicates the Chief Compliance Officer/Company Secretary, then they shall recuse themselves from the said inquiry process;
4. If the Audit Committee mandates an investigation, then the identified panel of investigators shall conduct the investigation into the Complaint(s) and present their findings to the Chief Compliance Officer. The executive summary of the investigation shall be reported to the Audit Committee by the Chief Compliance Officer;
5. Based on the update provided by the Chief Compliance Officer, the Audit Committee shall put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review/deliberations, shall decide on the next steps;
6. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy;
7. Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made there under, Securities & Exchange Board of India Act or Rules and Regulations made there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 or any other relevant legislation/law applicable to the Company, as amended from time to time

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