

PALCO METALS LIMITED

**Code of Fair Disclosure, Internal, Procedures, and conduct for
Regulating, Monitoring and Reporting of Trading By Insiders**

15/05/2015

CHAPTER I

1. DEFINITIONS

- 1.1 **Act** means the Securities and Exchange Board of India Act, 1992.
- 1.2 **Board** means the Board of Directors of the Company.
- 1.3 **"Code" or "Code of Conduct"** shall mean the Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders of Stovec Industries Limited and Code of Conduct for Fair Disclosures, as amended from time to time.
- 1.4 **Company** means Palco Metals Limited.
- 1.5 **"Compliance Officer"** means Company Secretary of the Company.
- 1.6 **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himself and the Company whether temporary or permanent, that allow such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 recognized 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 percent, of the holding or interest.
- 1.7 **Dealing in Securities** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- 1.8 **Designated Employee(s)** shall include:
 - (i) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
 - (ii) any other employee who in the view of Compliance Officer be covered in the designated employee.
- 1.9 **Director** means a member of the Board of Directors of the Company.
- 1.10 **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.
- 1.11 **"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.
- 1.12 **Insider** means any person who is,
 - (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- 1.13 **"Key Managerial Person"** means person as defined in Section 2 (51) of the Companies Act, 2013
- 1.14 **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof:
- 1.15 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 1.16 **"SEBI"** means Securities and Exchange Board of India
- 1.17 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.18 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- 1.19 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading where securities of the Company are listed;
- 1.20 **Unpublished Price Sensitive Information or UPSI** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon

be coming 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, delisting, disposals and expansion of business and such other transactions;
- (v) Changes in key managerial personnel; and
- (vi) Material events in accordance with the listing agreement

1.21 **Regulations** shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

1.22 **Specified Person** means the Directors, connected persons, the insiders, the Designated Employees and the promoter's and immediate relatives are collectively referred to as Specified Persons.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

CHAPTER II

APPLICABILITY

2.1 This code shall apply to Specified Persons as mentioned in this Code.

CHAPTER III

CONFIDENTIALITY & COMMUNICATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

3. Compliance Officer

3.1 Company Secretary shall be the Compliance Officer for the purpose of the Code.

3.2 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, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors.

3.3 The Compliance Officer shall provide any clarifications with regard to the implementation of this Code.

CHAPTER IV

Preservation of “Unpublished Price Sensitive Information or UPSI”

- 4.1 All information shall be handled within the organization 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 legal obligations.
- 4.2 Notwithstanding anything contained in the Code, an unpublished price sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
- (i) Entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the company;
 - (ii) Not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available atleast two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.
- 4.5 For the purpose of the above clause, the parties shall be required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause 4.4 and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
- 4.6 **Information on a need to know basis**
- (i) Need to know basis means - UPSI shall be disclosed only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to conflict of interest or appearance of such misuse of information.
 - (ii) All non public information directly received by any employee should immediately be reported to the head of the department.
- Confidential information shall be kept secure. Computer files must have adequate security of login id and password.

CHAPTER V

TRADING RESTRICTIONS

No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.

5. Prohibition on forward dealings in securities by Director or KMP

No Director/ Key Managerial Personnel of the company shall buy in the company or in its subsidiary or associate company—

- (a) a right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
- (b) a right, as he/ she may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

6. Trading Window

6.1 The trading window shall be closed 7 days prior to and during the time the unpublished price sensitive information is published and forty-eight hours after the information referred to in clause 6.2 becomes generally available.

However if the circumstances so warrants, the time for closing the window may be increased or decreased with the approval of Compliance Officer and the Managing Director of the Company.

6.2 The Trading Window shall be *inter-alia* closed for following:

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (v) Changes in key managerial personnel; and
- (vi) Material events in accordance with the listing agreement

6.3 The trading window shall be opened 48 hours after information referred to in Clause 6.2 becomes generally available.

6.4 Specified Persons shall conduct all their trading in the securities of the company only in a valid trading window and shall not trade in company's securities during the periods when trading window is closed or during any other period as may be specified by the Company from time to time.

- 6.5 The trading window restrictions 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.
- 6.6 In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

7. Pre-clearance of Trades

- 7.1 Specified Persons who intend to trade in the securities of the company when the trading window is open and if the value of the proposed aggregate trades during the quarter is going to exceed Rs. 10 (Ten) lakhs in value (market value) or shares to be traded in proposed transactions during the quarter is going to exceed 50000 shares whichever is less than specified persons should **pre-clear** the transactions as per the pre-trading procedure as described hereunder. No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.
- 7.2 An application shall be made in prescribed Form **PC-1** to the Compliance Officer indicating the estimated number of securities that the Specified Persons intends to trade in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
- 7.3 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations under PC-2 to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information.
- 7.4 Specified Persons shall execute their order in respect of securities of the company within seven trading days after the approval of pre-clearance is given. If the order is not executed within the aforementioned specified period, the Specified Persons must pre-clear the transaction again.
- 7.5 In case the Specified Persons decides not to execute the trade after securing pre-clearance, he/ she shall inform the Compliance Officer of such decision along with reasons thereof immediately.
- 7.6 No Specified Persons shall apply for pre-clearance of any proposed trade when the trading window is closed or if he/ she is in possession of unpublished price sensitive information.
- 7.7 It shall be the responsibility of Specified Persons to ensure compliance of Clauses 7.1 to 7.6 above in case of their immediate relatives also.

- 7.8 All Specified Persons who buy or sell any number of shares of the company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction.
- 7.9 The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the regulations.
- 7.10 Should a contra trade be 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.

8. Trading Plans

- 8.1 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.
- 8.2 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 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 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.
- 8.3 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.
- 8.4 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.

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.

8.5 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

CHAPTER VI

REPORTING AND DISCLOSURE REQUIREMENTS

9.1 Disclosure Requirements

Initial Disclosures

By Whom & To Whom	What to be disclosed	When to be disclosed	Form
Promoter/ Director/ KMP to the Compliance Officer	Holding of securities of the Company as on the date of this Code taking effect i.e. 15.05.2015	Within thirty days of this Code taking effect	Form A
Promoter/ Director/ KMP to the Compliance Officer	Holding of securities of the Company as on date of appointment or becoming Promoter	Within seven days of such appointment or becoming Promoter	Form B

Continual Disclosures

By Whom & To Whom	What to be disclosed	When to be disclosed	Form
Promoter/ Director/ Employee to the Compliance Officer	Number of such securities acquired or disposed	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	Form C

		to a traded value in excess of Rs. 10 lakh in value or such other value as may be specified. <i>*disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.</i>	
Company to Stock Exchange	Details of above disclosure	Within two trading days of receipt of disclosure or becoming aware of such disclosure.	Form C

- 9.2 The disclosures to be made by any person under clause 9.1 shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 9.3 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purpose of clause 9.1.
- 9.4 The Compliance Officer shall maintain records of all the disclosures/ declarations/undertakings/ forms as mentioned in this Code, as received from time to time, for a period of five years.
- 9.5 The Compliance Officer shall report to the Board of Directors for the purpose of the Code and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board annually.

CHAPTER VII

MISCELLANEOUS

10. Penalty for Contravention of the Code

- 10.1 All Specified Persons shall be responsible to adhere to this code. Specified Persons who trades in securities or communicates any information for trading in securities in

contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.

- 10.2 All Designated Employees who violate this Code of Conduct shall also be subject to disciplinary action by the company, which may include wage/salary freeze, suspension etc.
- 10.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.
- 10.4 In case it is observed by the Company, that there has been violation of the Regulations, SEBI shall be informed by the Company.
- 10.5 This code and any amendments thereto shall be available on the website of the Company.

CHAPTER VIII

CODE OF FAIR DISLCOSURE

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

- 11.1 Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 11.2 Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
- 11.3 Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- 11.4 Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 11.5 Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 11.6 Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- 11.7 Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- 11.8 Handling of all unpublished price sensitive information on a need-to-know basis.**E-1**

Form PC-I
Application for Pre-clearance

[For use by Specified Persons if the value of the proposed aggregate trades during the quarter is going to exceed Rs. 10 (Ten) lakhs in value (market value) or shares to be traded in proposed transactions during the quarter is going to exceed 50000 shares whichever is less]

To,
The Compliance Officer,
Palco Metals Limited
Ahmedabad

Dear Sir,

I am desirous of trading in the below-mentioned securities of the Company in my own name or on behalf of my immediate relatives (write name of relative and relationship) and seek your approval as under:

Type of Security	No. of Securities	Market Price	Mode of acquisition Purchase/ Sale- physical/ Demat/ other	Date by which trade is proposed to be executed	Folio No./ DP ID No./Client ID No. alongwith the name of depository	Present Holding (No. of Shares)	
						Physical	Demat

relation to the above, I undertake that:

- a) I have no access to nor am I in possession of any unpublished price sensitive information at the time of signing this undertaking.
- b) In case, I get access to or receive any –Price Sensitive Information after signing this application but before the execution of the transaction, I shall inform you of the change in position and shall refrain from trading in shares till such information is made public.
- c) I have not contravened the Company's Code of Conduct as notified by the Company from time to time.
- d) In case the traded value exceeds Rs. 10 lakh or any such other value as may be specified, disclosures required under the Code of Conduct will be immediately furnished by me.
- e) I have made full and true disclosure in this application.

Signature:

Name:

Designation:

Date:

Place:

FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2)]

Name of the company: _____

ISIN of the company: _____

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
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.

Signature:

Designation:

Date:

Place:

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2)]

Name of the company: _____

ISIN of the company: _____

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 nos.	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/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointme nt of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointme nt of Director/KMP	
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	5	6	6	7	7

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

Signature:

Designation:

Date:

Place:

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2)]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Signature:

Designation:

Date:

Place:
