

## CODE OF INTERNAL PROCEDURES AND CONDUCT FOR PREVENTION OF INSIDER TRADING IN SHARES OF THE COMPANY

### 1. Definitions

- 1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992) and may be referred to herein as the Act;
- 1.2 “**Board**” means Securities and Exchange Board of India established under Section 3 of Securities and Exchange Board of India Act, 1992.
- 1.3 “**Company**” means Jindal Steel & Power Limited and may be referred to as ‘the Company’ or ‘JSPL’ in these Codes of Conduct.
- 1.4 [“**Insider**” means any person who,
- i) is or was connected with the company or is deemed to have been connected with the company, and who is reasonably expected to have access, to unpublished price sensitive information in respect of securities of a company, or
  - ii) has received or has had access to such unpublished price sensitive information.]<sup>1</sup>
- 1.5 [“**Connected Person**” means any person who:-
- a) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 of the Company or is deemed to be director of the Company by virtue of sub-clause (10) of section 307 of that Act; or occupies the position of an officer or an employee of the Company or holds a position involving a professional or business relationship between himself and the Company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to the Company;

Explanation: For the purpose of clause I, the words “connected person” shall mean any person who is a connected person six months prior to an act of insider trading.]<sup>2</sup>

- 1.6 [A “**Person is deemed to be a connected person**”]<sup>3</sup> if such person –
- a) is a company under the same management or group, or any subsidiary company thereof within the meaning of sub-section (1B) of section 370, or sub-section(11) of section 372, of the Companies Act, 1956, or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969, as the case may be ; or
  - b) is an intermediary as specified in section 12 of the Act, Investment company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation.
  - c) is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub-broker, Investment Company or an employee thereof, or, is a member of the Board of Trustee 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 who has a fiduciary relationship with the company.
  - d) is a member of the Board of Directors or an employee of a public financial institution as defined in Section 4A of the Companies Act, 1956; or
  - e) is an official or an employee of a Self-regulatory Organization recognized

- or authorized by the Board of a regulatory body; or
- f) is a relative of any of the aforementioned persons;
  - g) is a banker of the company.
  - h) relatives of the connected person;
  - i) a concern, firm, trust, Hindu Undivided Family, company, Association of Persons wherein the relatives of persons mentioned in sub-clauses (f)(g)(h) have more than 10% of the holding or interest.
- 1.7 **“Price Sensitive Information”** means any information which relates directly or indirectly to a company and which, if published, is likely to materially affect the price of securities of company;  
Explanation:- The following shall be deemed to be price sensitive information:-
- i. Periodical financial results of the company
  - ii. Intended declaration of dividends (both interim and final):
  - iii. Issue of securities or buy-back of securities
  - iv. Any major expansion plans or execution of new projects;
  - v. Amalgamation, mergers or takeovers;
  - vi. Disposal of the whole or substantial part of the undertaking; and
  - vii significant changes in policies, plans or operations of the company
- 1.8 **“Un-published”** means information which is not published by the company or its agents and is not specific in nature.  
Explanation:-  
Speculative reports in print or electronic media shall not be considered as published information.
- 1.9 **“Designated Employee”** means
- i. Board of Directors
  - ii. Executive Director (whether or not they are member of the Board)
  - iii. Employees of the rank of Assistant Vice President and above
  - iv. Employees of finance / accounts and share department of the rank of Assistant General Manager and above.
- 1.10 **“Dependent”** means spouse, children and parents of the designated employee.
- 1.11 **“Securities”** include shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature as may be issued by the company from time to time and which are listed on any Stock Exchanges.
- 1.12 **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;
- 1.13 **[“Working day”** means the working day when the regular trading is permitted on the stock exchange where securities of the company are listed.]<sup>4</sup>

## 2. **Compliance Officer**

- 2.1 Mr. T. K. Sadhu, Company Secretary, is appointed as Compliance Officer and he shall report to the Managing Director / Chief Executive Officer.
- 2.2 The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearing of designated employees and their dependents trades through respective department heads, monitoring of trades and the implementation of the codes of conduct under the overall supervision of the Board of the company.
- 2.3 The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- 2.4 The compliance officer shall assist all the employees in addressing any clarification regarding the Securities and Exchange Board of India (Prohibition of

Insider Trading) Regulations, 1992 and the company's code of conduct.

**3. Preservation of "Price Sensitive Information"**

3.1 Employees shall maintain the confidentiality of all Price Sensitive Information and not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

**4. Need to know**

4.1 Price sensitive information is to be handled on a "need to know" basis, i.e. Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty.

**5. Limited access to confidential information**

5.1 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

**6. Prevention of misuse of "Price Sensitive Information"**

6.1 Designated employees of the company shall be subject to trading restrictions as enumerated in the Code.

**7. Trading Window**

7.1 The designated employees may deal in the shares and securities on any working day during the trading hours as prescribed by the stock exchanges and this shall be called the 'Trading Window' except during the period when the trading window is closed. The trading window shall be closed during the time the information referred to in para 7.3 is un-published.

7.2 When the trading window is closed, the designated employees, shall not trade in the company's securities in such period

7.3 The trading window shall be, inter-alia, closed at the time of:-

- a) Declaration of Financial results (quarterly, half-yearly and annual)
- b) Declaration of dividends (interim and final)
- c) Issue of securities by way of public / rights / bonus etc.
- d) Any major expansion plans or execution of new projects
- e) Amalgamation, mergers, takeovers and buy back
- f) Disposal of whole or substantially whole of the undertaking
- g) Any changes in policies, plans or operations of the company
- h) Any other event that may be decided by the company from time to time.

7.4 The trading window shall be opened 24 hours after the information referred to in para 7.3 is made public.

7.5 Designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred to in para 7.3 or during any other period as may be specified by the company from time to time.

7.6 In case of ESOPs, exercise of option may be allowed when trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

**8. Pre clearance of trades**

8.1 Designated employees of the company [and their dependents]<sup>5</sup> who intend to deal in the securities of the company above the threshold limit of 20,000 equity shares should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

8.2 An application in prescribed form shall be submitted to the Compliance Officer indicating the estimated number of securities that the designated employee intends to deal 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.

8.3 An undertaking in the prescribed form shall be executed in favour of the company by such designated employee incorporating, inter-alia, the following clauses, as may be applicable:

- a) That the designated employee does not have any access or has not received "Price Sensitive Information" upto the time of signing of the undertaking.
- b) That in case the designated employee has access to or receives "Price Sensitive Information" after the signing of this undertaking but before the execution of the transaction he / she shall inform the Compliance Officer of the change in his position and that he / she would completely refrain from dealing in the securities of the company till the time such information becomes public.
- c) That he / she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- d) That he / she has made a true and full disclosure in the matter.

## 9. Other restrictions

9.1 Designated employees [and their dependents]<sup>6</sup> shall execute their order in respect of the securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the designated employee must pre-clear the transaction again.

9.2 [Designated employees who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.

9.3 In the case of subscription in the primary market, the designated employees shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

9.4 Designated employees shall not take any position in derivative transactions in the shares of the company at any time.]<sup>7</sup>

9.5 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his / her reasons in this regard.

## 10. Disclosure

10.1 Designated employees of the company shall be required to disclose following details:

- a) [Shareholding of the company and positions taken by them or their dependents in derivatives within 2 working days of joining the company;
- b) Change in shareholding i.e. acquisition or sale of shares of the Company by them and/ or their dependents from previous disclosure (even if previous disclosure was nil) within 2 working days of such change. For this purpose, change in shareholding means:
  - i. The aggregate value of acquisition/ sale should be Rs. 5,00,000/- or more; or
  - ii. The number of shares acquired / sold should be 25000 or above; or
  - iii. Acquisition or sale of shares should be 1% or more of total shareholding of the Company; whichever is lower.]<sup>8</sup>

## 11 Reporting requirements for transactions in securities

11.1 [Designated employees of the company shall be required to forward half yearly statements (as on 31<sup>st</sup> March and 30<sup>th</sup> September) of their securities transactions (buy/ sell) including the statements of their dependents to the Compliance Officer within 14 days of the end of the period.

11.2 Designated employees of the company shall be required to forward Annual statement (as on 31<sup>st</sup> March) of their shareholding in the Company as well as of their dependents to the Compliance Officer within 14 days of the end of financial year.]<sup>9</sup>

**12. Maintenance of records**

12.1 The Compliance Officer shall maintain records of all the declarations given by the designated employees for a minimum period of three years.

12.2 The Compliance Officer shall place before the Managing Director / Chief Executive Officer of the company on a monthly basis, details of the dealings in the securities by designated employees of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in the code.

**13. Penalty for contravention of code of conduct**

13.1 Any designated employee 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.

13.2 Designated employees of the company who violate the Code of Conduct shall also be subject to the disciplinary action by the company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc. as may be decided by Managing Director of the Company.

13.3 The action by the company shall not preclude the Board from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.

**14. Information to the Board in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.**

14.1 In case it is observed by the company/ compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board shall be informed by the company.