

MAGNA ELECTRO CASTINGS LIMITED

Reg. Ofc: 43, Balasundaram Road, Coimbatore-641018
(CIN: L31103TZ990PLC02836)

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

This code has been formulated to regulate, monitor and report trading in the securities and derivatives of the Company by the employees of the Company and other connected persons, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

1 APPLICABILITY

- A. This code is applicable to the “designated persons and their immediate relatives”.
- B. This code is applicable to trading in the Company’s Securities.

2 DEFINITIONS

2.1 “**Compliance officer**” means the Company Secretary of the Company, 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price sensitive information (UPSI), monitoring of trades and implementation of the code under the overall supervision of the Board of Directors of the Company.

2.2 “**Connected person**” means any person who is or has during the 6 (six) months prior to the concerned act been associated with a Company, directly or indirectly, in any capacity including:

- 1 by reason of frequent communication with its officers or
- 2 by being in any contractual, fiduciary or employment relationship or
- 3 by being a director, officer or an employee of the Company or
- 4 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that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access **AND**

- 5 any person who has been defined as Connected Person **OR** deemed to be Connected Persons under Regulation 2(d) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

2.4 “**Designated Persons**” of the Company shall mean and include

- 1 Directors of the Company.
- 2 Every employee in the grade of Asst. General Manager and above.
- 3 Every employee in the Corporate Finance & Accounts Department, Secretarial Department (herein after referred to as “inside areas”)and

- 4 Any other person as may be specified by the Compliance Officer / Managing Director from time to time, who may have access to unpublished price sensitive information
- 2.5 “Employee”** means every employee of the Company including Directors in the employment of the Company.
- 2.6 “Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- 2.7 “Immediate relative”** means spouse of a person, and includes parent, sibling and child of such person or of the spouse, who is financially dependent on such person or consults such person in taking decisions relating to trading in securities.
- 2.8 “Insider”** means any person who is:
1. a connected person or
 2. in possession of or having access to unpublished price sensitive information.
 3. any person who has been defined as Insider under Regulation 2(g) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 2.9 “Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 2.10 “Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund;
- 2.11 “Trading”** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities of the Company.
- 2.12 “Trading day”** means a day on which the recognized Stock Exchanges are open for trading.
- 2.13 “Trading window”** refers to the period during which the Company’s securities can be traded.
- 2.14 “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. It shall ordinarily include but not restricted to, information relating to the following:-
- i. financial results
 - ii. dividends
 - iii. change in capital structure
 - iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
 - v. changes in key managerial personnel
 - vi. material events in accordance with the listing agreement.

Words and expressions used and not defined herein shall have the meaning respectively assigned to them under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

3. PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 3.1** All Designated persons / Insider should maintain confidentiality of the Unpublished Price Sensitive Information.
- 3.2** All information shall be handled within the Company on a need-to-know basis.
- 3.3** Unpublished price sensitive information shall not be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

4. DISCLOSURES

4.1 Initial Disclosures

- 4.1.1** Every Promoter, Key Managerial Personnel and Director of the Company shall disclose his holding of the Company's securities, as on the date of the SEBI(Prohibition of Insider Trading) Regulations, 2015 taking effect, to the Company within thirty days of these regulations taking effect. This initial disclosure shall be made to the Company in **Form A**
- 4.1.2** Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his holding of the securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a Promoter. This initial disclosure shall be made to the Company in **Form B**.

4.2 Continual Disclosures

- 4.2.1** Every Promoter, Employee and Director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a **traded value in excess of ten lakh rupees (Rs .10 lakhs only)**.
- 4.2.2** The disclosure of the incremental transactions after any disclosure under this code, shall be made when the transactions effected after the prior disclosure cross the threshold specified above in that calendar quarter.
- 4.2.3** The aforesaid disclosure shall be made in **Form C**.

4.3. Disclosure by the Company

4.3.1 The Company shall notify the particulars of the continual disclosures received from the persons referred in 4.2, to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

4.4 Periodical Reporting Requirements for transaction in securities

4.4.1 All designated persons of the Company who deals in the securities of the Company during the year shall be required to report their own and their immediate relatives level of holdings in securities as on 31st March every year to the Compliance officer in **Form D**, on or before 15th April, every year.

4.4.2 The designated person, who has got the approval through pre-clearance for the trade in **Form 2- Pre Clearance Order**, may report in **Form 3- Confirmation**, within 2 days from the execution of trade to the Compliance Officer.

4.4.3 All the designated persons shall be required to disclose names and PAN or any other identifier authorised by law of the following persons to the Company on an annual basis and as and when the information changes:

- a. Immediate Relatives
- b. Person with whom such designated person(s) shares a material financial relationship
- c. Phone, mobile and cell numbers which are used by them
- d. The name of educational institutions from which designated persons have graduated (on one time basis)
- e. The names of their past employers (on one time basis)

5. PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

5.1 Trading window

5.1.1 The trading window will remain closed for not less than Seven Trading Days prior to the date of publication of the unpublished price sensitive information and will open after 48 hours of the publication of the price sensitive information.

5.1.2 The Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

5.1.3 During the period of closure of the trading window the designated persons and their immediate relatives shall not trade in the securities of the Company.

5.1.4 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.

5.2 Trading Plan

5.2.1 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.

5.2.2 Such trading plan shall:–

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) not entail trading in securities for market abuse.

5.2.3 The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary, to enable such assessment and to approve and monitor the implementation of the plan.

5.2.4 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.

5.2.5 The compliance officer shall, upon approval of the trading plan, notify the plan to the stock exchanges on which the securities are listed.

5.3 Trading when Trading Window is Open (Pre clearance for Trade)

5.3.1 When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the number of securities proposed to be traded exceeds 2,000 shares in one transaction or a series of transactions from the previous pre-clearance given under this code. In case the Compliance officer or his immediate relative wishes to trade in the

securities of the Company, he should get pre-clearance from the Chief Financial Officer and all the provisions of pre-clearance shall also be applicable to the Compliance officer.

- 5.3.2.** An insider who plans for dealing in securities below 2,000 shares shall also entitled to get voluntary pre-clearance from the Compliance Officer of the Company.
- 5.3.3** 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.
- 5.3.4** Compliance officer prior to approving any trades, shall seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information.
- 5.3.5** The designated persons shall make an application for pre-clearance along with the Undertaking in **Form 1**, to the Compliance officer. The request can be sent by email to investorcell@magnacast.com/ info@magnacast.com .
- 5.3.6** Compliance officer shall either clear or decline to clear the proposed transaction. He should communicate his decision within 7 days of receipt of request. In case of declining, the reason shall also be informed.
- 5.3.7** The designated persons shall execute the trades that have been pre-cleared by the compliance officer, within seven trading days, failing which fresh pre-clearance would be needed for the trades to be executed.

5.4 Other restrictions

- 5.4.1** A designated person who is permitted to trade, shall not execute a contra trade within a period of six months after the prior transaction.
- 5.4.2** The compliance officer may grant relaxation from the strict application of such restriction, for reasons to be recorded in writing provided that such relaxation does not violate these regulations.
- 5.4.3** If a designated person executes a contra trade, inadvertently or in violation of such a restriction, the profits from such trade shall be remitted to the SEBI for the credit of the Investor Protection and Education Fund administered by the SEBI.

6. SANCTIONS & DISCIPLINARY ACTIONS FOR CONTRAVENTION OF THE CODE OF CONDUCT

- 6.1** Any designated person 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 Board of Directors of the Company.

7. INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI [PROHIBITION OF INSIDER TRADING] REGULATIONS, 2015

In case it is observed by the Board of Directors of the Company, that there has been a violation of the SEBI [Prohibition of Insider Trading] Regulations, 2015, they shall inform the SEBI, promptly.

***7.1 Submission of Original Information to SEBI in relation to any violation of the Insider Trading Regulations:**

An informant may submit original information in relation to any violation of the insider trading regulations to SEBI in the prescribed Voluntary Information Disclosure Form in compliance with the procedures laid down under Chapter IIIA of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).

Explanation:The terms “informant” and “original information” shall have the same meaning as defined under Regulation 7A of Chapter IIIA of the said Regulations (as amended).

The procedure laid down under Chapter IIIA of the said regulations therein can be accessed on the official website of SEBI at www.sebi.gov.in

***7.2 Protection against Retaliation and Victimisation**

The Company undertakes to provide suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination to any employee of the Company, who submit a Voluntary Information Disclosure Form, being an informant, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Regulations, by reason of:

- filing a Voluntary Information Disclosure Form under the Regulations;
- testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI;
- breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

Explanation:The term “employee” shall have the same meaning as defined under Regulation 7I of Chapter IIIA of the said Regulations (as amended).

8. REPORTING

The Compliance Officer will submit a report on a periodic basis to the Chairman of the Audit Committee, instances of violation of the Code or the Regulation by any person and on the disclosures, Trading Plans and pre- clearances approved and rejected.

9. AMENDMENT

The Board of the Company reserves its right to amend or modify this Code in whole or in part, as and when deemed fit.

In case of any amendments(s), clarification(s), circulars(s) etc, issues by the relevant authorities, not being consistent with the provisions laid down under this code, then such amendment(s), clarification(s), circulars(s) etc. shall prevail upon the provisions hereunder and this code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s) etc.

10. CONCLUSION

All Designated Persons are advised to familiarize themselves with the SEBI Regulations and comply with the same, as well as with this Code; both in letter and in spirit. Designated Persons are also advised to ensure compliance by their Immediate Relatives.

This Code of Conduct is defined to Regulate, Monitor and Report Trading by Designated Persons of the Company by the Board of Directors at their meeting and is made effective from 1st of April, 2019. The earlier policies issued in this regard will stand withdrawn by the Board of Directors of the Company.

**The Code has been amended by insertion of the new clauses 7.1 & 7.2 and approved by the Board of Directors of the Meeting held on 06.11.2019 pursuant to SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 (w.e.f.December 26, 2019)*
