



BALU FORGE INDUSTRIES LIMITED

CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS.

1. Definitions

- 1.1 **“Act”** means the Securities and Exchange Board of India Act, 1992;
- 1.2 **“Board”** means the Board of Directors of Balu Forge Industries Limited.
- 1.3 **“Chief Investor Relations Officer (CIRO)”** shall mean the Compliance Officer of the Company as appointed by the Board of Directors.
- 1.4 **“Code” or “Code of Conduct”** shall mean the Code of Internal Procedures and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of Balu Forge Industries Limited as amended from time to time;
- 1.5 **“Company”** means Balu Forge Industries Limited;
- 1.6 **“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 the Insider Trading Regulations, designated so and reporting to the Chairman of Audit Committee of the Company and the Board 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified in the Insider Trading Regulations, under the overall supervision of the Board;

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

- 1.7 **“Connected Person”** means:
 - (i) any person who is or has, during the six months prior to the date of the concerned act, been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access;

- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
- (a) an immediate relative of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i) a banker of the Company; and
 - (j) a concern, firm, trust, Hindu Undivided Family, company or association of persons wherein a director of the Company or his/her immediate relative or banker of the Company, has more than ten per cent, of the holding or interest;

1.8 **Designated Person(s)** shall include

- (i) All Promoters, Directors, Key Managerial Personnel and Employees upto two levels below Chief Executive Officer of the Company;
- (ii) Every employee in the Grade of G1 level and above;
- (iii) Employees of the Finance & Accounts, Information Technology (IT), Internal Audit and Secretarial Departments working at Corporate office of the Company who have access to UPSI;
- (iv) Personal Secretaries/ Executive Assistants of the Director(s) and Promoters, to the extent they are employees of the Company;
- (v) Such other persons as may be notified by the Compliance Officer from time to time on the basis of their functional role in the Company and having due regards to the access that such role and function would provide to UPSI.

1.9 **“Director”** means a member of the Board of Directors of the Company;

- 1.10 **“Employee”** means every employee of the Company including the Directors and Key Managerial Personnel in the employment of the Company and its subsidiary companies;
- 1.11 **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis;
- 1.12 **“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;
- 1.13 **“Informant”** means an individual(s), who voluntarily submits to the SEBI a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under Insider Trading regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward;
- 1.14 **“Insider”** means any person who is,
(i) a connected person; or
(ii) in possession of or having access to Unpublished Price Sensitive Information
- 1.15 **“Key Managerial Personnel”** shall have the same meaning as defined under Section 2(51) of the Companies Act, 2013;
- 2 **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions;
- 2.1 **“Original Information”** means any relevant information submitted in accordance with Insider Trading regulations pertaining to any violation of insider trading laws that is:
- (i) derived from the independent knowledge and analysis of the Informant;
 - (ii) not known to the SEBI from any other source, except where the Informant is the original source of the information;
 - (iii) is sufficiently specific, credible and timely to - (1) commence an examination or inquiry or audit, (2) assist in an ongoing examination or investigation or inquiry or audit, (3) open or re-open an investigation or inquiry, or (4) inquire into a different conduct as part of an ongoing
 - (iv) examination or investigation or inquiry or audit directed by the SEBI;

- (v) not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information; and
 - (vi) not irrelevant or frivolous or vexatious.

- 2.2 **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;

- 2.3 **“Promoter Group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;

- 2.4 **“Reward”** means any gratuitous monetary amount for which an Informant is declared eligible as per the provisions of Insider Trading regulations;

- 2.5 **“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;

- 2.6 **“SEBI”** means the Securities and Exchange Board of India;

- 2.7 **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;

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

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

- 2.10 **“Unpublished Price Sensitive Information”** or **“UPSI”** means any information relating a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
 - (i) financial results;
 - (ii) dividends (both interim and final);
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - (v) changes in Director or key managerial personnel;

Note: In case of any doubt on whether any particular information should be treated as UPSI, employees should reach out to the Compliance Officer.

- 2.11 **“Voluntarily providing information”** means providing SEBI with information before receiving any request, inquiry, or demand from SEBI, any other Central or State authorities or other statutory authority about a matter, to which the information is relevant;
- 2.12 **“Insider Trading Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Words and expressions used and not defined in this Code 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), the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder and the Insider Trading Regulations shall have the meanings respectively assigned to them in those legislations.

2. Compliance Officer

- 2.1 The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in the Insider Trading Regulations under the overall supervision of the Board of Directors of the Company.
- 2.2 The Compliance Officer shall report to the Board of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board at such frequency as may be stipulated by the Board, but not less than once in a year.
- 2.3 The Compliance Officer shall assist employees of the Company, Designated Persons, etc. in addressing any clarifications regarding the Insider Trading Regulations and the Code.
- 2.4 The Compliance Officer shall review the trading plan for Trading in securities of the Company, if any, submitted to him, to assess whether the plan is in compliance with the Insider Trading 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, in accordance with the Insider Trading Regulations.

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.



3. Applicability of this Code

- 3.1. Dealing in securities of the Company by Designated Persons (and immediate relatives of Designated Persons) of the Company, shall be governed by this Code.

4. Preservation of “Price Sensitive Information”

- 4.1. No UPSI shall be communicated by any Employee, Designated Person, or Insider, by way of making a recommendation for the purchase or sale of securities of the Company.
- 4.2. All information shall be handled within the Company 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 legal obligations.
- 4.3. “Need to know” basis means that Unpublished Price Sensitive Information should be disclosed only to those persons who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- 4.4. 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 the Insider Trading Regulations. Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an Insider and confidentiality agreement shall be signed or notice shall be served to such person to maintain confidentiality of such UPSI in compliance with the Insider Trading Regulations.
- 4.5. The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with which information is shared under clause [4.4] above, along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

Such databases shall be maintained with adequate internal controls and such as time stamping and audit trails to ensure non-tampering of the database.

5. Chinese Wall

- 5.1. All Designated Persons must maintain the confidentiality of all UPSI coming into their possession or control.

- (i) To comply with this confidentiality obligation, the Designated Persons shall not:
 - a. pass on any UPSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of the securities of the Company; or
 - b. disclose UPSI to their Immediate Relatives, family members, friends, business associates or any other individuals, other than as permitted under the Insider Trading Regulations, or
 - c. discuss UPSI in public places, or
 - d. disclose UPSI to any person, including other Employees or Designated Persons, who do not need to know the information for discharging their duties, or
 - e. recommend to anyone that they may undertake trading in the securities of the Company while being in possession, control or knowledge of UPSI, or
 - f. be seen or perceived to be trading in the securities of the Company while in possession of UPSI.
- (ii) Files containing confidential information shall be kept secure under lock and key. Computer files must have adequate security of login and password, etc.
- (iii) All non-public information directly received by any Employee should immediately be reported to the head of the department.

5.2. Process for how and when people are brought 'Inside' on sensitive transactions.

The Chief Investor Relations Officer (hereinafter referred to as "CIRO") in consultation with the Managing Director/Chief Executive Officer (hereinafter referred to as "MD/CEO") of the Company shall decide on how and when any person(s) should be brought 'inside' on any proposed or on-going sensitive transaction(s). The information shared with any person who brought 'inside' on any proposed or on-going sensitive transaction(s) should be strictly limited to the information/details that they need to know in order to carry out the relevant work.

Any person(s) who has/have been brought inside on any proposed and/or on-going sensitive transaction(s) and is in receipt of Unpublished Price Sensitive Information shall be considered an Insider, for purposes of this Code, and due notice shall be given to such persons, in the format as set out in by the CIRO in consultation with the Board:

- (i) To make aware such person that the information shared is or would be confidential.
- (ii) To instruct such person to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with the Insider Trading Regulation.
- (iii) To make such person aware about the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

- (iv) To intimate the person of his/her obligations and responsibilities as an Insider in terms of the Regulations.

6. Trading when in possession of Unpublished Price Sensitive Information.

- 6.1. No insider shall trade in securities of the Company when in possession of Unpublished Price Sensitive Information. Such insider shall also maintain the confidentiality of all price sensitive information and shall not pass on such information to any person directly or indirectly by way of making recommendation for the purchase or sale of Company's Securities.
- 6.2. When a person who has traded in securities has been in possession of Unpublished Price Sensitive Information, his/her trades would be presumed to have been motivated by the knowledge and awareness of such information in his/her possession.

7. Trading Plan

An Insider shall be entitled to formulate a trading plan for Trading in securities of the Company and present it to the Compliance Officer for seeking approval and public disclosure pursuant to which trades may be carried out on his/her behalf in accordance with such plan.

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.

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



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

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

The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the plan shall be deferred until such Unpublished Price Sensitive Information becomes generally available information.

8. Trading Window:

- 8.1. Trading window means the period when trading in the Company's securities is permitted. The trading window shall remain closed during:
 - (a) From first day of the new quarter till the end of 48 hours after declaration of Unaudited/Audited Financial Results for the quarter /Half year/Year ended
 - (b) Such period as may otherwise be determined and notified by the Compliance Officer. Designated Persons and their immediate relatives shall not trade in Securities of the Company when the trading window is closed.
- 8.2. The Trading window shall be closed when Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information and closure of the trading window shall be intimated by the Compliance Officer to the Designated Persons. Such closure shall be imposed in relation to such securities to which such Unpublished Price Sensitive Information relates.
- 8.3. The Compliance Officer after taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

9. Pre-clearance of trades

- 9.1. All Designated Persons and their Immediate Relatives, who: (a) intend to deal in the securities of the Company when the trading window is open and (b) if the value of the proposed Trades, 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 only)**, should pre-clear the said transaction. The pre-Trading procedure shall be hereunder:
- (i) An application may be made in the prescribed Form (**Annexure 1**) to the Compliance Officer indicating the estimated number of securities of the Company that the Designated Person (or his/her Immediate Relatives) intend to deal in, the details as to the depository with which he/she 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.
 - (ii) An undertaking (**Annexure 2**) shall be executed in favour of the Company by such Designated Person incorporating, *inter alia*, the following clauses, as may be applicable:
 - (a) That the said person does not have any access or has not received “Unpublished Price Sensitive Information” up to the time of signing the undertaking.
 - (b) That in case the Designated Person has access to or receives “Unpublished Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from Trading in the securities of the Company till the time such information becomes public.
 - (c) That he/she has not contravened the Code as notified by the Company from time to time.
 - (d) That he/she has made a full and true disclosure in the matter.
- 9.2. The Compliance Officer shall have the authority to determine whether such undertaking/declaration is capable of being rendered inaccurate and can accordingly take necessary steps. The Compliance Officer shall issue an approval of the pre – clearance, at his/her discretion, in the format prescribed in **Annexure 3**.
- 9.3. All Designated Persons and immediate relatives, as applicable, shall execute their order in respect of securities of the Company within seven trading days after the approval of pre-clearance is given. The Designated Person shall file within 2 (two) trading days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. (**Form C**).
- 9.4. If the order is not executed within 7 (seven) trading days after the approval is given, the Designated Person and Immediate Relatives, must inform the Compliance Officer of the same and would be required to pre-clear the transaction again.

- 9.5. All Designated Persons and Immediate Relatives, as applicable, who buy or sell any number of Securities of the Company shall not enter into an opposite transaction/contra trade i.e. sell or buy any number of Securities during the next six months following the prior transaction. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the Insider Trading Regulations. In case of any 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 the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Provided that this restriction shall not be applicable for trades pursuant to exercise of stock options.

10. Disclosure by Designated Persons

- 10.1. Designated Persons shall be required to 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:
- a) Immediate Relatives;
 - b) persons with whom such Designated Person(s) shares a Material Financial Relationship;
 - c) Phone, mobile and cell numbers which are used by them;
- 10.2. In addition, the names of educational institutions from which Designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

11. Other Restrictions

- 11.1. The provisions of this Code pertaining to seeking pre-clearance for trades, restriction on trading, disclosures to be made by any person, etc. shall also be applicable to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 11.2. The provisions of this Code pertaining to seeking pre-clearance for trades, restriction on trading, disclosures of trading in securities of the Company shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 11.3. The disclosures made under this Code shall be maintained for a period of five years.

12. Reporting Requirements for transactions in securities

12.1. Initial Disclosure

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

12.2. Continual Disclosure

Every Promoter, member of promoter group, Designated Person and Director of the Company shall disclose to the Company the number of such securities acquired or disposed of within 2 (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 **Rs. 10,00,000/-** (Rupees Ten Lakh only). **(Form C)**

The disclosure shall be made within **2 (two) trading days** of:

- a) the receipt of intimation of allotment of shares, or
- b) the acquisition or sale of shares or voting rights, as the case may be.

All Designated Persons including KMPs and Directors of the Company shall at the time of joining the Company disclose their holding as on that date in prescribed form. Further, Designated Persons shall disclose their holding within fifteen days from the end of the financial year in prescribed form. In such case NIL reporting shall also be mandatory. **(Annexure 4)**

The Compliance Officer may, at his discretion, require any other Connected Person(s) or class of Connected Person(s) to make disclosure of holding and trading in securities of the Company in the format prescribed in Form D and at such frequency as he/she may determine.

12.3. Disclosure by the Company to the Stock Exchange(s)

Within 2 (two) trading days of the receipt of intimation under Clause 12.2 or becoming aware of the information specified in Clause 12.2, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

The Compliance officer shall maintain records of all the declarations intimated under Clause 12 in the appropriate form for a minimum period of five years.

13. Penalty for contravention of the code of conduct

13.1. Penalty by the Company

Every Insider shall be individually responsible for complying with the provisions of the Insider Trading Regulations and the Code to the extent applicable. Any violation under the Code shall attract serious disciplinary actions by the Company.

Persons who violate the Code shall also be subject to disciplinary action by the Company as mentioned in **Annexure- 5**, which may also include wage freeze, suspension, recovery, clawback, termination, ineligibility for future participation in employee stock option plans, etc.

The action taken by the Company shall not preclude SEBI from taking any action in case of violation of Insider Trading Regulations.

13.2. Penalty by the Statutory Authorities

Under Section 15G of SEBI Act, any insider who indulges in insider trading is liable to a penalty of Rs. 25 crores or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the SEBI Act, 1992 anyone who contravenes the Insider Trading Regulations is punishable with imprisonment which may extend to ten years, or with fine, which may extend to Rs. 25 crores or with both.

14. Protection against retaliation and victimisation

The Company shall not discharge, terminate, demote, suspend, threaten, harass, either directly or indirectly, or discriminate against any Employee who files a Voluntary Information Disclosure Form under the Insider Trading Regulations, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Insider Trading Regulations, by reason of:

- a) filing a Voluntary Information Disclosure Form under the Insider Trading Regulations;
- b) testifying 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 the insider trading laws, or in any manner aiding the enforcement action taken by the Board;
- c) 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.



For the purpose of this Clause, 'Employee' shall mean any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the Insider Trading Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

It is further clarified that the Company does not require any Employee to establish that

- a) SEBI has taken up any enforcement action in furtherance of information provided by such person; or
- b) the information provided fulfils the criteria of being considered as an 'original information' under the Insider Trading Regulations.

No Employee that has filed a Voluntary Information Disclosure under the Insider Trading Regulations will be required to notify the Company of such filing, or seek its prior permission or consent or guidance of any person engaged by the Company, as the case may be, before or after such filing.

15. Amendment

- 15.1. The Board of Directors, may, if thought necessary, amend this Code from time to time.
- 15.2. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Code.



ANNEXURE 1

SPECIMEN OF APPLICATION FOR PRE-TRADING APPROVAL

Date:

To,
The Compliance Officer,
Balu Forge Industries Limited
Mumbai

Dear Sir/Madam,

Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders**, I seek approval to purchase / sale / pledge/ revoke of pledge of, etc. _____ equity shares of the Company as per details given below:

1.	Name of the applicant (Employee/Immediate relative)		
2.	Designation		
3.	PAN		
4.	Number of securities held as on date		
5.	Folio No. / DP ID / Client ID No.		
6.	The proposal is for		Purchase of securities Sale of securities Pledge of securities Revoke of Pledge Other
7.	Proposed date of trading in securities		
8.	Estimated number of securities proposed to be acquired/subscribed/sold, etc.		
9.	Whether the proposed transaction will be through stock exchange or off-market deal		
10.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited		

I enclose herewith the form of Undertaking signed

by me. Yours faithfully,

(Signature of Employee)



ANNEXURE 2

FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

UNDERTAKING

To,
The Compliance Officer,
Balu Forge Industries Limited
Mumbai

I, _____, _____ of the Company residing at _____, am desirous of dealing in __* shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (the Code) up to the time of signing this Undertaking.

In the event that I have access to or I receive any information that could be construed as "Price Sensitive Information" as defined in the Code, 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 trading in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 (Two) trading days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 (Seven) trading days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date:

Signature: _____

* Indicate number of shares



ANNEXURE 3

FORMAT FOR PRE-CLEARANCE ORDER

To,
Name: _____
Designation: _____
Place: _____

This is to inform you that your request for sale/purchase/pledge, etc. of _____ shares of the Company as mentioned in your application dated _____ is _____ approved. Please note that the said transaction must be completed on or before _____ that is within 7 trading days from today.

In case you do not execute the approved transaction on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 trading days from the date of transaction. In case the transaction is not undertaken, submission of 'Nil' report shall be necessary.

Yours faithfully,
For Balu Forge Industries Limited

Compliance Officer

Date:

Encl: Format for submission of details of transaction



ANNEXURE 4

FORMAT FOR DISCLOSURE OF TRANSACTIONS

(As on the date of Joining the Organization and within 15 days from the end of the financial year)

To,
The Compliance Officer,
Balu Forge Industries Limited
Mumbai

I hereby inform that I my spouse/my dependent child(ren)/dependent parent(s) (singly/jointly) as on the date of joining the Company or during the Financial Year ____ (please tick ✓one)

have not bought /sold/ subscribed any securities of the Company

have bought/sold/subscribed to _____ securities as mentioned below on

Name of holder	No. of securities dealt with	Date of transaction	Bought / sold/ subscribed	DP ID/ Client ID/ Folio No	Price (Rs.)	Total Holdings	
						Before transaction	After transaction

In case of multiple transactions, instead of filling the above table you can submit a date wise demat statement of transactions done in Balu Forge Industries Limited's securities during the financial year.

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I declare that the above information is correct and that no provisions of the Company's Code of Internal Procedures and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Date: _____

Signature: _____

Name:

Designation:

ANNEXURE 5

Penalty for contravention of the code of conduct

Categories of Non-compliance		Penalty / Disciplinary Action
A. Substantive Non-compliance		
1.	Trading during prohibited period	Any of the following actions or a combination thereof depending upon severity of each case: i. Issue a Reprimand Letter, or ii. Upto two times the amount of gain made or loss avoided; or iii. Upto Gross one month salary; or iv. Recovery, clawback; or v. Termination from service; or vi. Debar from trading in Company's shares for a period as determined and deemed fit by the Company
2.	Undertaking opposite transactions / derivatives transactions	
3.	Trading without seeking pre-clearance of trades	
B. Procedural Non-compliance		
1.	Non submission or delay in submission of post-transaction disclosure (Form C).	Warning notice for the first instance of non-compliance and For every repeated act – a fine upto Rs. 25,000/-
C. Non-compliance pertaining to UPSI		
1.	Trading on basis of UPSI	When SEBI establishes that the person possessed UPSI at the time of trading / recommendation was made on basis of UPSI or communication of UPSI was done; in such cases the Company can take action for such violation of Insider Trading Regulations which may extend up to termination of service. Additionally, the Company may take disciplinary action against a person, including, monetary penalty, wage freeze, suspension, recovery, claw back, termination etc., in line with the Policy and Procedure for Inquiry in case of leak or suspected leak of UPSI
2.	Making recommendations directly or indirectly on basis of UPSI	
3.	Communication / passing of UPSI	

Notes:

1. Penalties recovered as per framework will be remitted to SEBI Investor Protection and Education Fund account.
2. Repetitive violations can lead to higher severity of action.



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: Balu Forge Industries Limited

ISIN of the Company: INE011E01029

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

Name, PAN, CIN/DIN & Address with ContactNos.	Category of Person (Promoters / Promoter Group/ KMP / Director/ Immediate Relatives / Others etc.)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
(1)	(2)	(3)	(4)	(5)
Name: PAN: Address:		Equity Shares		

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



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		
Contract Specifications	Number of Units (Contracts * lotsize)	Notional value in Rupee terms	Contract Specifications	Number of Units (Contracts * lot size)	Notional value in Rupee terms
(6)	(7)	(8)	(9)	(10)	(11)
-	-	-	-	-	-

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Signature:

Date:

Designation:

Place:



FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a director/KMP/Promoter]

Name of the company: Balu Forge Industries Limited

ISIN of the company: INE011E01029

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

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/Promoter Group/ Directors/immediate relative to/others etc.)	Date of appointment of Director/KMP OR Date of becoming Promoter/member of Promoter Group	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding
			Type of security (For eg. Shares, Warrants, Convertible Debentures etc.)	Number	
Name : PAN : Address:			Equity Share		

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



Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of Promoter Group of a listed company and other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter/Promoter Group/ appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/ Promoter Group/ appointment of Director/KMP		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name:

Designation:

Date:

Place

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

Details of trading in derivatives of the company by Promoter, member of Promoter Group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21
<i>Not Applicable</i>						

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:



Form D

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015[Regulation 7(3) – Transactions by Other connected persons as identified by the company]

Name of the company: **Balu Forge Industries Limited**

ISIN of the company: INE011E01029

Details of change in holding of Securities of Other Connected Persons as identified by the Company.

Name, PAN, CIN/DIN, & 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/ Inter-se 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/Revoke/Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14



Nam		Equity Shares		Equity Shares				Equity Shares					
e:													
PAN:													
Address:													

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

Details of trading in derivatives of the company by Other Connected Persons as identified by the Company.

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21
Not Applicable						

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Date:

Place: