

GANGA FORGING LIMITED

POLICY ON PROHIBITION OF INSIDER TRADING

I. INTRODUCTION

The Board of Directors of **Ganga Forging Limited** (hereinafter referred to as "the Company") have always thrived to conduct its business in a fair and transparent manner with a view to protect the interest of all the stakeholders in the Company and has thus formulated this Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (herein after referred to as the "Fair Practice Code") for fair and continuous disclosure of Unpublished Price Sensitive Information (UPSI) in the market in order to adhere to the principles as set out in Schedule A (referred in the Regulation 8) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

II. EFFECTIVE DATE:

This Fair Practice Code has been adopted by the Board of Directors of Ganga Forging Limited as and when approved by the board of directors through circulation.

III. THE POLICY AND OBLIGATIONS:

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director and designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the company.

No Director/Executive Director/General Manager and other designated employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

The Board of Directors may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information. This Fair Practice Code shall be published on the official web site of the Company.

IV. APPLICABILITY:

This Fair Practice Code shall apply to all Directors/Executive Directors/CFO/Compliance Officer and other designated employees of the Company.

V. DEFINITIONS:

In this Fair Practice Code, unless the context otherwise requires:

1. **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
2. **"Company"** means Ganga Forging Limited
3. **"Compliance Officer"** means the Company Secretary of the Company or in his/her absence the Managing Director/Executive Director of the Company.
4. **"Connected Persons"** have the meaning assigned to it in the SEBI (Prohibition of Insider Trading) Regulations, 2015.
5. **"Designated Employees"** means a person occupying any of the following position in the Company:
 - a) All Directors (excluding Independent Directors of the Company)
 - b) All Key Managerial Personnel's (as defined in Section 2(51) of the Companies Act, 2013)
 - c) All employees in the rank of General Managers.
 - d) All executives and staff working in Secretarial & Legal and Finance Department.
 - e) Any other employee as may be determined and informed by the Compliance officer from time to time.
6. **"Independent Director"** means a person appointed as the Independent Director of the company in compliance with the Section 149 of the Companies Act and Clause 52 of SME Listing Agreement.
7. **"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;
8. **"Insider"** means any person who;
 - a) is 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 the Company or
 - b) has had access to unpublished price sensitive information.
9. **"SME Listing Agreement"** means SME Equity Listing Agreement which the Company has entered into with the Stock Exchanges including amendment from thereto from time to time. For the sake of clarity, if the SME Listing Agreement is replaced with Regulations/Guidelines by the SEBI in future, the term Listing Agreement appearing herein shall deem to mean and include the Regulations/Guidelines, as the case may be.
10. **"Unpublished Price Sensitive Information"** means any information that relates directly or indirectly to Company and which, if published, is likely to materially affect the price of securities of Company. The following shall be deemed to be price sensitive information:
 - a) Periodical Financial Results of the Company,
 - b) Intended declaration of dividend (both interim and final, if any),
 - c) change in capital structure,
 - d) Any major expansion plans or execution of new projects
 - e) Amalgamation, mergers or takeovers, listing/delisting
 - f) changes in key managerial personnel;

g) material events in accordance with the listing agreement.

11. **"Regulations"** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
12. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.
13. **"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) regulations, 2011 and any amendments thereto;
14. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, and sell. Deal in securities, and "trade" shall be construed accordingly;
15. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
16. **"Trading Window"** means trading period for trading in the Company's Securities. All days shall be the trading periods except when trading window is closed.

All other words and phrases will have the same meaning as defined under the "SEBI (Prohibition of Insider Trading) Regulations, 1992" as amended from time to time and also under the "Securities and Exchange Board of India Act, 1992."

VI. DISCLOSURE PRINCIPLE

The Company will immediately inform the Stock Exchanges, all the events which will have bearing on the performance / operations of the Company as well as any Unpublished Price Sensitive Information as required under SME Listing Agreement read with Guidance Note issued by the Stock Exchanges.

However, the Company or any Insider of the Company will not make any disclosure of UPSI to the selected individuals or group of individuals or Connected Persons including other Insiders except in following cases:

- a. The information disclosed is in furtherance of legitimate purposes, performance of duties or discharge of obligations on need to know basis.
- b. The information disclosed is in connection with a transaction which would entail an open offer under takeover regulations where the Board of Directors is of the informed opinion that the proposed transaction is in the best interests of the Company.
- c. The information disclosed is in connection with a transaction which would 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 at least two trading days prior to the proposed transaction being affected.

Beside above, the Company endeavours to file all its reports and notices as required to be filed under the Listing Agreement with the Stock Exchanges within prescribed time limit.

VII. ROLE AND RESPONSIBILITIES:

The Board acknowledges that it may not be possible to contact all the Directors whenever a disclosure requirement arises regarding the nature and content of an announcement. The Board has therefore delegated certain responsibilities with respect to continuous disclosure and external announcement.

The responsibilities under this policy are divided as under:

Directors of the Company will be responsible for approval of making any announcements to the Stock Exchanges and Public. They will also ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently and to ensure that such information is generally available.

Company Secretary of the Company shall act as a Chief Investor Relations Officer/Compliance Officer of the Company to deal with dissemination of information and disclosure of UPSI and in his/her absence the Managing Director/Executive Director of the company shall act on his/her behalf.

VIII. DISCLOSURE PROCEDURES:

a. Review of Price Sensitive Information:

After receipt of any potentially price sensitive information, the Compliance Officer will immediately review the information in consultation with the Director/s and/ or external advisors to determine whether the information is price sensitive and is required to be disclosed to the Stock Exchanges.

b. Prepare draft announcement to the Stock Exchanges:

If the information is price-sensitive information, the Compliance Officer will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of the Directors.

c. Lodge Announcements:

The Compliance Officer on behalf of the Company will lodge or arrange for lodgement of the announcement with the Stock Exchanges.

d. Post announcement on website:

After lodgment of announcement with the Stock Exchanges, the Compliance Officer will arrange to place it on the website of the Company.

IX. MEDIA:

The Company shall give appropriate and fair response to queries on news reports. However, no response will be made to market speculation or rumor except where it is necessary to comply with the continuous disclosure obligations. A response will be submitted to the Stock Exchanges against their query requesting the Company to clarify the matter.

In order to manage dissemination of information about issue or major development in business, a press release will be issued to media via email or fax. An electronic copy of the press release will be posted on the Company website. The issue of press releases or strategic announcements of the subsidiaries of joint ventures is subject to agreed procedures.

X. DISCUSSION WITH ANALYSTS AND INVESTORS:

As part of the Company's management of investor relations and to enhance analysts understanding of its background and technical information, the Company may conduct a meet or one to one discussion or group briefings and conference calls with Investors / Analysts (collectively referred to as briefings).

It shall be made sure that the information shared with analysts and research personnel are not UPSI. The announcement of Investors Presentations or Transcript of conference call with Investors / Analysts shall be submitted to the Stock Exchanges and put up on the website of the Company.

XI. COMMUNICATION OF THE FAIR PRACTICE CODE:

A copy of this Fair Practice Code and every amendment thereto shall be promptly intimated to the Stock Exchanges. A copy of this Fair Practice Code shall be circulated to all the Designated Employee(s) of the Company within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company.

XII. AMENDMENT:

Any change in this Fair Practice Code shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Fair Practice Code or the entire Fair Practice Code, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

CODE OF CONDUCT FOR INTERNAL PROCEDURES AND TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

I. INTRODUCTION

The Board of Directors of Ganga Forging Limited (hereinafter referred to as "the Company") have always thrived to conduct its business in a fair and transparent manner with a view to protect the interest of all the stakeholders in the Company and has thus formulated this Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading by Insiders (herein after referred to as the "Code of Conduct - PIT") for fair trading in the securities of the company by the insiders, this Code of Conduct – PIT adheres to the principles as set out in Schedule B (referred in the Regulation 9) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

II. EFFECTIVE DATE:

This Fair Practice Code has been adopted by the Board of Directors of Ganga Forging Limited as and when approve by the board of directors through circulation.

III. OBJECTIVE OF CODE OF CONDUCT FOR INTERNAL PROCEDURES

The objective of the Code is to prevent dealing in securities of the Company by an Insider either on his own behalf or on behalf of any other person, on the basis of unpublished price sensitive information.

IV. RULES & OBLIGATIONS & DISCLOSURE OF INFORMATION:

Ganga Forging Limited (the "**Company**") on an ongoing basis endeavors to apply best practices in relation to corporate governance requirements. As a part of its efforts, the Company undertakes to regulate, preserve and manage unpublished price sensitive information and its abuse.

The Board members / Officials shall endeavor to produce full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with or submits to the SEBI and other regulators and in other public communications made by the Company.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated this Code of Conduct-PIT for Prevention of Insider Trading. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws, regulations and Code of Conducts.

Every director, officer, employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of their employment.

V. CONFIDENTIALITY OF INFORMATION:

The Board of Directors shall require the parties 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

The Board members / Officials shall ensure and take all reasonable measures to protect the confidentiality of non-public information about the Company, its business, customers and other materially significant information obtained or created in connection with any activities with the Company and to prevent the unauthorised disclosure of such information unless required by applicable laws or regulations or legal or regulatory process.

VI. APPLICABILITY AND VARIATION OF THE CODE AND WAIVERS:

In furtherance to mandates under SEBI (Prohibition of Insider Trading) Regulations, 2015 and applicable provisions of the Companies Act, 2013 the Company hereby notifies this code of conduct ("Code of Conduct-PIT").

The Code shall be reviewed from time to time for updation thereof. Any variation in the Code or any waivers from the provisions of the Code shall be approved by the Board and shall be disclosed on the Company's website.

This Code of Conduct applies to following and they shall be collectively referred to as Designated Persons:

- a) All the Directors of the Company and their Immediate Relatives;
- b) All Key Managerial Personnel's (as defined in Section 2(51) of the Companies Act, 2013) and their Immediate Relatives;
- c) All employees in the rank of General Managers and their Immediate Relatives;
- d) All executives and staff working in Secretarial & Legal and Finance Department and their immediate Relatives;
- e) Any other employee as may be determined and informed by the Compliance officer from time to time.

VII. VIOLATION OF THE CODE

The Board shall have the powers to take necessary action in case of any violation of the code.

VIII. DEFINITIONS:

In this Code of Conduct, unless the context otherwise requires:

- 1. "Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- 2. "Company"** means Ganga Forging Limited
- 3. "Compliance Officer"** means the Company Secretary of the Company or in his/her absence the Managing Director/Executive Director of the Company.

4. **“Connected Persons”** have the meaning assigned to it in the SEBI (Prohibition of Insider Trading) Regulations, 2015.
5. **“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.
6. **“Employee”** means every employee of the Company including the Directors in the employment of the Company.
6. **“Independent Director”** means a person appointed as the Independent Director of the company in compliance with the Section 149 of the Companies Act and Clause 52 of SME Listing Agreement.
7. **“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;
8. **“Insider”** means any person who;
 - a) is 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 the Company or
 - b) has had access to unpublished price sensitive information.
9. **“SME Listing Agreement”** means SME Equity Listing Agreement which the Company has entered into with the Stock Exchanges including amendment from thereto from time to time. For the sake of clarity, if the SME Listing Agreement is replaced with Regulations/Guidelines by the SEBI in future, the term Listing Agreement appearing herein shall deem to mean and include the Regulations/Guidelines, as the case may be.
10. **“Unpublished Price Sensitive Information”** means any information that relates directly or indirectly to Company and which, if published, is likely to materially affect the price of securities of Company. The following shall be deemed to be price sensitive information:
 - a) Periodical Financial Results of the Company,
 - b) Intended declaration of dividend (both interim and final, if any),
 - c) change in capital structure,
 - d) Any major expansion plans or execution of new projects
 - e) Amalgamation, mergers or takeovers, listing/delisting
 - f) changes in key managerial personnel;
 - g) material events in accordance with the listing agreement.
11. **“Regulations”** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
12. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.

13. “Takeover Regulations” means the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) regulations, 2011 and any amendments thereto;

14. “Trading” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, and sell. Deal in securities, and “trade” shall be construed accordingly;

15. “Trading Day” means a day on which the recognized stock exchanges are open for trading.

16. “Trading Window” means trading period for trading in the Company’s Securities. All days shall be the trading periods except when trading window is closed.

All other words and phrases will have the same meaning as defined under the “SEBI (Prohibition of Insider Trading) Regulations, 1992” as amended from time to time and also under the “Securities and Exchange Board of India Act, 1992.”

VIII. ROLE OF COMPLIANCE OFFICER:

1. The Company Secretary of the Company has act as the Compliance Officer for the purposes of compliance under this Code of Conduct-PIT, in his/her absence in his/her absence the Managing Director/Executive Director of the company shall act on his/her behalf.
2. The Compliance Officer shall report to the Board of the Company and in particular, shall provide quarterly reports to Chairman of the Audit Committee in relation to the compliance of the requirement of the Regulations and Code of Conduct-PIT.
3. The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulations and the Code of Conduct-PIT.
4. The Compliance Officer shall monitor, review and approve all Trading Plans.
5. The Compliance Officer shall, based on his/her discretion and occurrence of specific events detailed in this Code of Conduct-PIT, regulate and monitor the Trading Window of the securities of the Company.
6. The Compliance Officer may inquire any Designated Persons in relation to Trading of securities and handling of unpublished price sensitive information of the Company.
7. The Compliance Officer may require any other persons (law firms, consultants, investment bankers, vendors, customers, bankers etc.) to disclose shareholding and trading in securities of the Company.
8. The Compliance Officer shall assist the Company in formulation of Chinese walls and Crossing the Wall policy in order to regulate the abuse of unpublished price sensitive information.

9. The Compliance Officer shall confidentially maintain a list of such securities as a restricted list which shall be used as their basis for approving or rejecting application for pre- clearance of trades.

10. The Compliance Officer will propose necessary changes to this Code of the Company, as and when the same are necessitated. The proposal will be considered by the Board of Directors of the Company and, if approved, will take effect immediately following the Board Meeting in which such proposals are approved

IX. PRESERVATION OF “PRICE SENSITIVE INFORMATION”

1. All Designated Persons shall maintain the confidentiality of price sensitive information. They shall not communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person and pass on such information to any person, directly or indirectly by way of making recommendations for acquisition/purchase/sale of the securities of the Company;
2. All Designated Persons should not acquire/purchase/sell Company’s shares either on behalf of themselves or others when in possession of unpublished price sensitive information.
3. Price Sensitive Information shall 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 and/or functions and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
4. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

X. TRADING RESTRICTIONS Trading Window

1. The trading window will be closed not less than 7 clear days prior to the happening of the following events and shall remain closed upto 48 hours after the publication of price sensitive information:-

- (a) Declaration of quarterly, half-yearly and annual financial results;
- (b) Declaration of interim and final dividend;
- (c) Issue of securities by way of public/right/bonus etc.
- (d) Approve any major expansion plans or execution of new projects;
- (e) Approve amalgamation, mergers, takeovers and buy-back;
- (f) Approve disposal of whole or substantially whole of the undertaking;
- (g) Approve any significant changes in policies, plans or operations of the company;
- (h) Any such other event as may be deemed fit by the Compliance Officer;

However if the circumstances so warrants the time for closing the window may be increased or decreased with the approval of CFO/Chairman/Managing Director.

2. All Directors/designated employees 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 1 above or during any other period as may be specified by the Company from time to time.

3. 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.

Pre-clearance of trades

1. Designated Persons who intend to deal in the securities of the company above a minimum of 10000 shares of the company in a calendar month should pre-clear the transactions as per the procedure as described hereunder
2. An application shall be made in **Form 'I'** to the compliance officer indicating the estimated number of securities that the designated employee/ officer/ director 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.
3. An Undertaking shall be executed in favour of the Company by such Designated employee/ Director/ Officer incorporating, *inter alia* the following clauses, as may be applicable :
 - a) That the Designated Person does not have access or has not received price sensitive information up to the time of signing the Undertaking.
 - b) That in case, the Designated Person has access to or receive any “Price Sensitive Information” after the signing of this undertaking but before execution of the transaction, he/she shall inform the Compliance Officer of the change in position and that he/she shall refrain from dealing in securities of the company till such information is made public.
 - c) That he/she has not contravened the Company’s Code of Conduct-PIT for Prevention of Insider Trading as notified by the company from time to time.
 - d) That he/she has made full and true disclosure in this application.
4. All Designated Persons shall execute their order in respect of 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 Persons must pre-clear the transaction again.
5. It shall be the responsibility of Designated Person to ensure compliance of Clause 1 to 4 above in case of their dependants also.

Chinese Walls and Cross the Wall; Restricted List

1. The Compliance Officer shall monitor and regulate the Company’s Chinese walls and Cross the wall procedures.
2. The Chinese Walls designed to manage confidential information and prevent the inadvertent spread and misuse of inside information, or the appearance thereof. Board shall understand where Chinese Walls have been set up or where they are needed according to this Policy, corporate governance requirements or Regulations and disseminate the same to all the Designated Persons.

3. Persons within a Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.

XI. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES ACCORDING TO SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Initial Disclosure

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 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 in the prescribed **Form B** of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

Continual Disclosure

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 Rs. Ten lakhs Or such other value as may be specified in the prescribed **Form C** of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

The disclosure shall be made within 2 working days of the Stock Exchange:

- 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.

Disclosure by the Company to the Stock Exchange(s)

1. The Company shall notify the particulars within 2 working days of the receipt of intimation to all Stock Exchanges on which the Company is listed.
2. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated persons for a minimum period of five years.

XII. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT-PIT:

1. Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
2. Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
3. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.