

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT
TRADING BY INSIDERS**



JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED
(formerly known as Jsquare Electrical Steel Nashik Private Limited)

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

(Adopted pursuant to Regulation 9 and Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended)

1. Preamble:

This Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (“Code”) has been formulated and adopted by the Board of Directors of JSE JFE Electrical Steel Nashik Private Limited (formerly known as Jsquare Electrical Steel Nashik Private Limited) hereinafter referred to as (the “Company”) (“J2ES Nashik”) pursuant to Regulation 9(1) and Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“PIT Regulations”).

The provisions of this Code are framed to ensure compliance with the PIT Regulations and to prevent misuse of Unpublished Price Sensitive Information (“UPSI”) by Designated Persons and their Immediate Relatives.

2. Objective:

The objective of this Code is to:

- 2.1 Regulate, monitor and report trading by Designated Persons and their Immediate Relatives in the Securities of the Company.
- 2.2 Ensure that trading in the Securities of the Company is carried out in a fair, transparent and lawful manner, and
- 2.3 Uphold confidentiality and prevent misuse of UPSI

3. Applicability:

- 3.1 This Code shall apply to all Designated/Connected Persons of the Company and their Immediate Relatives, as well as any other person or class of persons as may be identified by the Board or the Compliance Officer from time to time, based on their role, function and access to UPSI.

4. Definitions:

Unless otherwise stated, all words and expressions used herein shall have the same meaning as assigned to them in the PIT Regulations or the Securities and Exchange Board of India Act, 1992. For the purpose of this Code:

- 4.1 “Act” means Securities and Exchange Board of India Act, 1992.
- 4.2 “Board” means Securities and Exchange Board of India.
- 4.3 “Board of Directors” means Board of Directors of JSW JFE Electrical Steel Nashik Private Limited (formerly known as Jsquare Electrical Steel Nashik Private Limited)

- 4.4 “Code” means Code of Conduct to Regulate, Monitor and Report and Report Trading by Designated Persons as modified from time to time
- 4.5 “Company” means JSW JFE Electrical Steel Nashik Private Limited (formerly known as Jsquare Electrical Steel Nashik Private Limited)
- 4.6 “Compliance Officer” means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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 these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be;

Explanation – For the purpose of this regulation, “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 cashflows.

4.7 “Connected Person” means:

- (i) Any person who is or has been during the 6 (six) months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, 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) a relative of connected persons specified in clause (i); or
 - (b) a Holding Company, 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 authorised by the Board; or
 - (i) a banker of the company;
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten per cent of the holding or interest;
 - (k) a firm or its partner or its employee in which a connected person specified in sub clause (i) of clause (d) is also a partner; or

(l) a person sharing household or residence with a connected person specified in subclause (i) of clause (d)

4.8 “Dealing in securities” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;

4.9 “Designated Person” means:

- (i) Members of the Board of Directors of the Company
- (ii) Key Managerial Personnel of the Company
- (iii) Designated Employees of the Company, Intermediary or fiduciary designated on the basis of their functional role and access to UPSI.
- (iv) Employees of Material Subsidiaries of the Company, if any, designated on the basis of their functional role and access to UPSI.
- (v) All promoters of Company and promoters who are individuals or investment companies for intermediaries or fiduciaries.
- (vi) Whole Time Director/ Chief Executive Officer (CEO), if any and employees upto two levels below CEO of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the Company or ability to have access to UPSI.
- (vii) Any support staff of Company, intermediary or fiduciary such as IT staff or secretarial staff who has access to UPSI.

4.10 “Designated Employee” means:

- (i) All General Managers and above
- (ii) All Heads of the Spheres
- (iii) All Executives working in Secretarial, Planning & Business Development, Finance & Accounts Department
- (iv) All Executives working in Secretariat of Chairman & Managing Director, if any and Functional Directors.
- (v) Any other executive which in opinion of Compliance Officer be covered under the designated employees.

4.11 "Generally available information" means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;

4.12 “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.

Note: if spouse is financially independent and doesn’t consult an insider while taking trading decisions, the spouse won’t be exempted from the definition of immediate relative. A spouse is presumed to be an “immediate relative”, unless rebutted so.

4.13 “Insider” means any person who is:

- (i) Designated person(s) & their immediate relatives
- (ii) a connected person; or
- (iii) in possession of or having access to unpublished price sensitive information.

4.14 “Key Managerial Personnel ” means–

- i. Chairman & Managing Director
- ii. All whole time Directors
- iii. Company Secretary
- iv. Chief Financial Officer
- v. Compliance Officer
- vi. Such other officer as may be prescribed under Companies Act 2013

4.15 "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.

4.16 “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.

4.17 “Trading” means and includes subscribing, [redeeming, switching,] buying, selling, dealing, or agreeing to subscribe, [redeem, switch,] buy, sell, deal in any securities and "trade" shall be construed accordingly.

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

4.19 “Trading Window” means a trading period in which Company’s securities can be traded.

4.20 "Unpublished price sensitive information" (“UPSI”): shall mean 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 and shall, ordinarily include but not restricted to, information relating to the following;

- (i) Periodical Financial Results of the Company;
- (ii) Intended declaration of dividends (Interim and Final);
- (iii) Change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company’s shares;
- (iv) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, Disposals, Spin Off or Selling Division of Whole or Substantially Whole of the Undertaking and Expansion of Business and such other transactions;
- (v) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- (vi) Changes in Key Managerial Personnel;
- (vii) Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (viii) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

5. Designated/Connected Persons

The Board of Directors, in consultation with the Compliance Officer, shall identify and designate persons based on their functional role and access to UPSI. The list shall ordinarily include:

- Members of the Board of Directors;
- Key Managerial Personnel;

- Functional and departmental heads (Finance, Treasury, Legal, Compliance, Internal Audit, Corporate Communications, Strategy, etc.);
- Employees having access to financial results, debt issuance plans or other UPSI; and
- Any other person as may be determined by the Compliance Officer from time to time.

Immediate Relatives of all such Designated Persons shall also be deemed to be covered under this Code.

6. Restrictions on Trading

- 6.1 No Designated Person or their Immediate Relative shall trade in the Securities of the Company while in possession of UPSI
- 6.2 Designated Persons shall conduct all trading in Securities of the Company only during an open Trading Window and in accordance with the pre-clearance requirements of this Code.
- 6.3 The Trading Window shall be closed whenever the Compliance Officer determines that Designated Persons or a class thereof can reasonably be expected to have possession of UPSI, including but not limited to periods around
- Finalisation of financial results;
 - Debt issuance or redemption proposals;
 - Ratings review or material credit events;
 - Any other significant event likely to affect the price of the Securities.
- 6.4 The Trading Window shall reopen forty-eight (48) hours after such information becomes generally available. No Designated Person shall execute a contra-trade within six (6) months of an earlier trade. The Compliance Officer may grant relaxation from strict application of this restriction in exceptional circumstances, after recording reasons in writing
- 6.5 All Designated Persons and their immediate relatives shall not take positions or enter in derivative transactions in the securities of the Company.

7. Pre-Clearance of Trades

- 7.1 Designated Persons shall not trade in the Securities of the Company above such threshold value as may be specified by the Compliance Officer, without obtaining prior written clearance.
- 7.2 An application for pre-clearance shall be made in the prescribed form, stating that the applicant is not in possession of UPSI at the time of making the application.
- 7.3 Pre-cleared trades must be executed within seven (7) working days of approval; otherwise, fresh clearance must be obtained.
- 7.4 The Designated Person shall submit a trade confirmation to the Compliance Officer within two (2) working days of execution.
- 7.5 If the trade is not executed within the validity period, a fresh pre-clearance shall be obtained.

8. Disclosure Requirements

All Designated Persons shall make disclosures of their holdings and trades in the Securities of the Company in such form and manner as prescribed by the PIT Regulations and this Code, including but not limited to:

- Initial disclosure on becoming a Designated Person ;
- Annual disclosure of holdings as on 31 March each year;
- Disclosures of trades, whether on their own behalf or on behalf of their Immediate Relatives, exceeding such value as may be prescribed under the Regulations.

The Company shall maintain a structured digital database of such disclosures and ensure appropriate internal controls.

9. Preservation of Unpublished Price Sensitive Information

Designated Persons shall maintain strict confidentiality of all UPSI entrusted to or accessible by them in the course of their duties and shall not:

- Communicate, provide or allow access to UPSI to any person except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; or
- Trade in Securities of the Company when in possession of such UPSI.

The Company's Code of Practices and Procedures for Fair Disclosure of UPSI shall operate concurrently with this Code.

10. Role of the Compliance Officer

The Compliance Officer shall be responsible for:

- Administration and monitoring of this Code and compliance with the PIT Regulations;
- Granting pre-clearances and recording approvals or rejections thereof;
- Maintaining records of declarations, trades, and disclosures for the period prescribed;
- Reporting to the Audit Committee and the Board on compliance status; and
- Ensuring communication of trading window closures and other restrictions.

11. Reporting and Violation

- 11.1 Any instance of violation of this Code or the PIT Regulations shall be reported promptly to the Compliance Officer.
- 11.2 The Compliance Officer shall place details of such violations before the Audit Committee/Board, along with the action taken.
- 11.3 The Company shall report violations in the format prescribed by SEBI to the recognised stock exchange(s).
- 11.4 Amounts collected under this Code (e.g., penalties, disgorgement) shall be remitted to the Investor Protection and Education Fund (IPEF) administered by SEBI.

12. Penalty for Contravention

Any Designated Person who contravenes this Code shall be liable to disciplinary action, which may include wage freeze, suspension, recovery of profits, termination, or other measures as may be deemed appropriate by the Board, without prejudice to action under the PIT Regulations and applicable law.

13. Review and Amendment

This Code shall be reviewed periodically and may be amended, modified or substituted by the Board of Directors of the Company as may be deemed necessary to align with applicable laws and regulatory changes.

14. Effective Date:

This Code shall come into force with effect from the approval by the Board of Directors.

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