



Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

CODE OF PRACTICES AND PROCEDURE FOR FAIR DISCLOSURE OF UPSI

1. Definitions

- 1.1. **“Act”** means the Securities and Exchange Board of India Act, 1992.
- 1.2. **“Board”** Means the Board of Directors of the Company.
- 1.3. **“Code”** or **“Code of Conduct”** shall mean this Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in the scrip of the Company, as amended from time to time.
- 1.4. **“Company”** Means Pradeep Metals Limited.
- 1.5. **“Compliance Officer”** means such officer appointed as the Compliance Officer by the Board 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 Company.
- 1.6. **“Connected Person”** shall have the meaning ascribed to it under the Regulations.
- 1.7. **“Designated Persons”** shall include:
- i) Directors of the Company;
 - ii) Promoters of the Company;
 - iii) Chief Executive Officer and employees up to two levels below Chief Executive Officer, of the Company and its material subsidiaries;
 - iv) every employee of the Company and its material subsidiaries in the grade of General Managers and Above;
 - v) every employee of the Company and its material subsidiaries in the finance, accounts, secretarial and Legal department as may be determined and informed by the Compliance Officer; and
 - vi) Any other employee including support staff such as IT staff and secretarial staff who have access to UPSI as may be determined and informed by the Compliance Officer from time to time in consultation with the Board.
- 1.8. **“Director”** means a member of the Board of Directors of the Company.
- 1.9. **“Employee”** means every employee of the Company including the Directors in the employment of the Company.
- 1.10. **“Generally Available Information”** means information that is accessible to the public on a Non-discriminatory basis.



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- 1.11. “Immediate Relative”** means a spouse of a person and includes parent, sibling and child of such person or of the spouse, parent or Spouse’s parent, sibling and spouse (including spouse’s sibling), child and spouse (including spouse’s child), any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- 1.12. “Insider”** means any person who,
- (i) is a connected person; or
 - (ii) in possession of or having access to Unpublished Price Sensitive Information.
- 1.13. “Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013.
- 1.14. “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 Regulations.
- 1.15. “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.
- 1.16. “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;
- 1.17. “Trading”** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be constructed accordingly
- 1.18. “Trading Day”** means a day on which the recognized stock Exchanges are open for trading;
- 1.19. “Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to the 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;
 - (iii) change in capital structure;



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- (iv) mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions; and
- (v) changes in key managerial personnel;
- (vi) change in rating(s), other than ESG rating(s);
- (vii) fund raising proposed to be undertaken;
- (viii) agreements, by whatever name called, which may impact the management or control of the Company;
- (ix) fraud or defaults by the Company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the Company, whether occurred within India or abroad;
- (x) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- (xi) admission of winding up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the Company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- (xii) initiation of forensic audit, by whatever name called, by the Company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- (xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the Company;
- (xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the Company;
- (xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- (xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

1.20. "Regulations" shall mean the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 and any amendments thereto.

Words and expressions used and not defined hereinabove shall have the meanings given to them under the Regulations.

2. Compliance Officer

- 2.1 The Company has appointed the Company Secretary as Compliance Officer for this purpose.
- 2.2 The Compliance Officer will report to the Board of Directors of the Company in respect of the matters covered under this Code of Conduct.



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- 2.3 The Compliance Officer shall be responsible, under the overall supervision of the Board of Directors of the Company, for the following:
- setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Unpublished Price Sensitive Information”.
 - Pre-Clearing trades of the Designated Persons and their immediate relatives in respect of the Securities.
 - Monitoring of trades.
 - Implementation of the Code of Conduct.
 - provide reports to the Chairman of the Audit Committee at such frequency as may be stipulated by Board of Directors.
- 2.4 The Compliance Officer shall maintain the records of the Designated Persons and Immediate Relatives and any changes therein.
- 2.5 The Compliance Officer shall assist all the employees in addressing any clarification in this regard.
- 2.6 The duties of Compliance Officer include:
- monitoring implementation of the Policy under the overall supervision of the Board;
 - maintaining records of Designated Persons and any changes made to the list of Designated Persons;
 - assisting employees in addressing concerns and clarification regarding the Policy and SEBI Insider Trading Regulations;
 - promptly disclosing publicly any UPSI that would impact price discovery no sooner than credible and concrete information comes into being so that such information is generally available.
 - uniformly and universally disseminating in a timely manner UPSI to avoid selective disclosure by communicating the same to the stock exchange(s) and disclosing the same on its website;
 - disclosing press releases issued by Company from time to time which are considered to be important for the general public besides putting the same on Company’s website;
 - putting on Company’s website quarterly and annual financial results and all investor presentations pertaining to such financial results;
 - consultation with the Chairman and / or Managing Director and the Board to specify prohibited period (i.e. closure of the Trading Window) from time to time and make announcement(s) thereof;
 - ensuring that prohibited period is intimated to all concerned before the commencement of the said period;
 - maintaining records of all the declarations submitted in the appropriate form given by the Designated Persons;



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- informing the Stock Exchange(s) on which the securities of the Company are listed and to disclose to the same to the extent required under rules and regulations promulgated by SEBI or the Stock Exchanges;
- ensuring posting of details of the trading in the securities by Designated Persons before the Board of Directors and in particular, to provide reports to the Chairman of the Audit Committee on quarterly basis along with relevant documents that such persons had executed under the pre-clearance procedure as mentioned in this Policy.
- advising punitive measures or disciplinary action to the Board in line with the Code of Conduct for any violation or contravention of the Policy;
- Undertaking such things as provided in the SEBI Insider Trading Regulations from time to time.

3. Prevention / Preservation of “Unpublished Price Sensitive Information”

- 3.1 No Designated Person and their immediate relatives or any Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information to any person except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations or otherwise as provided under the Regulations. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 3.2 No Designated Person and their immediate relatives or any Insider shall procure from or cause the communication of Unpublished Price Sensitive Information except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations or otherwise as provided under the Regulations.
- 3.3 Subject to the provisions of the Regulations, no Designated Person and their immediate relative/Insider shall trade in the Securities when in possession of Unpublished Price Sensitive Information.
- 3.4 The Company has established policies, procedures and arrangements including earmarked areas (collectively “Chinese Walls”) designed to manage confidential information and prevent the inadvertent spread and misuse of Unpublished Price Sensitive Information. In general, Chinese Walls separate areas that have access to Unpublished Price Sensitive Information (“Sensitive Areas”) from those who do not have such access (“General Areas”).



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- 3.5 Employees within Sensitive Areas 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. The establishment of Chinese Walls is not intended to suggest that within Sensitive Areas, Unpublished Price Sensitive Information can circulate freely. Within Sensitive Areas, the 'need-to-know' policy shall be fully in effect.
- 3.6 Any person may be brought inside on a sensitive transaction with prior written approval of the Compliance Officer. Such person shall be fully made aware of the duties and responsibilities attached to the receipt of inside information, and the liability that are attached to misuse or unwarranted use of such information.

4. Trading Window

- 4.1 All Designated Persons and their immediate relatives shall not be permitted to deal in the Securities of the Company during the period, to be called "Trading Window Closure". The Trading Window shall be closed during the time when the Compliance Officer determines that a Designated Person or a class of Designated Persons can reasonably be expected to have access to or possession of Unpublished Price Sensitive Information. When the Trading Window is closed, the Designated Persons or their immediate relatives shall not trade in the Securities of the Company. Trading window closure is mandatory when designated persons are in possession of UPSI. The trading window closure may not be necessary for UPSI that originates from outside the listed entity.
- 4.2 The Trading Window shall be closed from the end of every quarter, till 48 hours after the declaration of financial results of the Company. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- 4.3 For other items, the Compliance Officer shall have the power to close the Trading Window for such purposes and for such period as he may deem fit in consultation with any whole-time director/CEO of the Company.
- 4.4 The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 hours after the information becomes generally available.
- 4.5 In case of ESOPs, exercise of options shall be allowed during the period when the Trading Window is closed. The Company can allot the shares on exercise of the ESOPs, during the



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period the Trading Window is closed. However, sale of shares allotted on the exercise of ESOPs shall not be allowed when the Trading Window is closed.

- 4.6 The trading window shall remain closed at the time of:
- Declaration of Financial results (quarterly, half yearly and annually).
 - Declaration of dividends (interim and final).
 - Issue of securities by way of public/rights/bonus etc.
 - Any major expansion plans or execution of new projects.
 - Amalgamation, mergers, takeovers and buyback.
 - Disposal of whole or substantially the whole of the undertaking.
 - Any significant changes in policies, plans or operations of the Company.

5. Trading Plan

- 5.1 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 Such trading plan shall:
- not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days from public disclosure of the plan;
 - not entail overlap of any period for which another trading plan is already in existence.
- 5.3 Set out the parameters for each trade to be executed as mentioned in the Regulations.
- 5.4 Not entail trading in securities for market abuse.
- 5.5 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.
- 5.6 The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

6. Restrictions for dealing in Securities of the Company

- 6.1 No Designated persons and their Immediate Relatives shall enter into an opposite transaction i.e. sell or buy the Securities of the Company during a period of six months following a previous transaction. This restriction shall not be applicable for trades pursuant to exercise of stock options. However, once the shares acquired on exercise of



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the ESOPs are sold, the restriction on buying would become applicable for the next six months.

- 6.2 The aforesaid restriction (contra trade) shall not apply in respect of buy back offers, open offers, rights issues, bonus, split, consolidation and other related corporate actions.
- 6.3 In the event, a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund.
- 6.4 Further, securities allotted on exercise of employee stock options shall be held for a minimum period of 7 days from the date of exercise of ESOP.
- 6.5 In case the sale of Securities is necessitated by personal emergency, the Compliance Officer is empowered to grant relaxation from strict application of such a restriction, after recording in writing the reasons for grant of such relaxations. The Designated Persons seeking waiver of the contra period must make an application in Form D citing the reasons thereof, to the Compliance Officer.

7. Preclearance of trades

All Designated Persons who intend to deal in securities of the Company in their own name or in the name of their dependent family members beyond the maximum threshold limit, shall obtain preclearance of the transactions as per the pre-dealing procedure as described hereunder.

However, no Designated Person shall apply for pre-clearance of any proposed trade if such person is in possession of Unpublished Price Sensitive Information even if the trading window is not closed.

7.1 Procedure for Pre-clearance of Trade

- a. An application for pre-clearance of trade shall be made in specified format Form 'G' to the Compliance Officer.
- b. An undertaking in Form 'H' shall be executed in favour of the Company by such persons incorporating, inter-alia, the following clauses, as may be applicable:
 - Designated Person does not have any access or has not received "Unpublished Price Sensitive Information";
 - If he/she has access to or receives "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction; he/she



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shall inform the Compliance Officer of the change in his /her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public;

- That he or she has not contravened the “Policy for Prevention of Insider Trading” as notified by the Company from time to time; and
- That he or she has made full and true disclosure in the matter.

c. The Compliance Officer shall consider the application made as above and shall issue the order as specified in ‘Form I’.

7.2 Threshold Limit:

The pre-clearance shall not be necessary, if the aggregate trade value of shares to be traded in one calendar quarter in one or more transactions does not exceed 5000 shares or Rs. 10,00,000/- (Rupees Ten Lakhs) whichever is lower.

7.3 Validity of Pre-clearance period

Designated Persons shall execute their trades in respect of securities of the Company within Seven Trading Days after the approval of pre-clearance is given and shall file within 2 (two) trading days of execution of the trade, the details of such trade, with the Compliance Officer in Form ‘J’. If the order is not executed within the time specified, he/she shall obtain fresh pre-clearance again.

7.4 Restricted period

All Designated Persons who buy or sell Securities shall not enter into an opposite transaction i.e. sell or buy during next six months following the prior transaction (“Restricted Period”) i.e. they shall not execute a contra trade during next six months. All Designated Persons shall also not take positions in derivate transaction in the Securities at any time. In case of any contra trade being 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.

8. Disclosures

A. INITIAL DISCLOSURES

Every person on appointment as a key managerial personnel or a director or a Designated Person of the Company or upon becoming promoter or member of the promoter group shall



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disclose in Form 'A', the number of securities of the Company held by him, his immediate relatives and by any other person for whom he takes trading decisions, as on the date of appointment or becoming a promoter, to the Company within 7 (seven) days of such appointment or becoming a promoter.

B. CONTINUAL DISCLOSURES

Every promoter, member of the promoter group, employee and director of the Company shall disclose in Form 'B', to the Company the number of such securities acquired or disposed of by him, his immediate relatives and by any other person for whom he takes trading decisions, 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. 10,00,000 (Rupees Ten Lakh) or such other value as may be specified by the SEBI.

C. DISCLOSURE BY THE COMPANY

The Company shall notify the particulars of disclosures made under Clause (B) to the stock exchange on which the securities of the Company are listed, within two trading days of the receipt of the disclosure or from becoming aware of such information.

D. DISCLOSURES BY OTHER CONNECTED PERSONS

The Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Company by him/her, his/her immediate relatives and by any other person for whom he/she takes trading decisions in Form 'C', and at such frequency as may be determined by the Company in order to monitor compliance with SEBI Insider Trading Regulations.

E. PERIODICAL DISCLOSURES

All Designated Persons shall, on half yearly basis disclose to the Company, the details of securities transacted by him, his immediate relatives and by any other person for whom he takes trading decisions, during the period from 1st April to 30th September in Form 'D'.

F. ANNUAL DISCLOSURES

All Designated Persons shall submit to the Company an annual statement of details of securities transacted by him, his immediate relatives and by any other person for whom he takes trading decisions in Form 'E'.



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If trading in derivatives of the Company's securities is permitted by any law for the time being in force, the disclosures of trading in securities shall also include trading in derivatives of securities of the Company and the traded value of the derivatives shall be taken into account for purposes of these disclosures.

9. Communication or procurement of unpublished price sensitive information and maintenance of a structured digital data base (SDD)

The Board of Directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that a Structured Digital Database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The timeline for recording information in the SDD is as soon as a designated person comes into possession of UPSI or he/she shares UPSI. However, with the new regulation, SEBI has mandated that any information not originating from within the organization must be entered into the SDD within **two calendar days** from the date of receipt.

10. Penalty for contravention of code of conduct

- 10.1 Every Designated 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 immediate relatives).
- 10.2 Any person who contravenes any of the provisions of the Code may be penalised and appropriate action may be taken by the concerned Company. Such penalty may include wage freeze, suspension, recovery, clawback and ineligibility for future participation in ESOP etc.
- 10.3 The action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations. In case it is observed by the Company / Compliance Officer that there has been a violation of the Regulations committed by any officer, they shall promptly inform SEBI about the same



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11. Authority to amend the Company's Code of Conduct

Any amendments to the Code may be made by the approval of the Board as and when deemed necessary.

Approved by Board of Directors on 22nd May, 2025