



ADOR WELDING LIMITED

CODE OF CONDUCT FOR REGULATING, MONITORING & REPORTING OF TRADING BY INSIDERS, DESIGNATED PERSONS & THEIR RELATIVES

[Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 & Schedule B]

1. PREFACE

This Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, Designated Persons & their Relatives will also be known as "Code of Conduct for Prohibition of Insider Trading" hereinafter referred to as "this Code".

This Code is prepared in accordance with all the applicable provisions of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2015 & 2018 (hereinafter called as "Regulations").

2. OBJECTIVE OF CODE OF CONDUCT

- To regulate, monitor and report trading by Insiders, Designated persons & their relatives.
- To preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.
- To remain committed to transparency & fairness in dealing with all stakeholders & in ensuring adherence to all the applicable laws & regulations.

3. DEFINITIONS OF CERTAIN WORDS / PHRASES

For the purpose of this Code:

- a) "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) "**Board**" means the Board of Directors of Ador Welding Limited.
- c) "**Company**" means ADOR WELDING LIMITED (AWL).
- d) "**Code**" or "**Code of Conduct**" shall mean the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, Designated Persons & their Relatives of M/s. Ador Welding Limited (amended from time to time).
- e) "**Compliance Officer**" means any senior officer, designated so and reporting to the Board of Directors or Chief Executive Officer of AWL 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maintenance of records, monitoring adherence to the rules for the preservation of the confidentiality of the unpublished price sensitive information, monitoring of trades and the implementation of the Codes specified in these Regulations under the overall supervision of the Board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 or the head of AWL, as the case may be.

- f) **“Connected Person”** means:
- (i) any person who is or has, during six months prior to 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 / herself 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 have 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);
 - b. a holding company or associate company or subsidiary company;
 - c. an intermediary as specified in section 12 of the Act or an employee or director thereof;
 - d. an investment company, trustee company, asset management company or an employee or director thereof;
 - e. an official of a stock exchange or of clearing house or corporation;
 - 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 an employee thereof;
 - 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;
 - h. an official or an employee of a self-regulatory organization recognised or authorized by the Board;
 - i. auditors & solicitors and their employees
 - j. a banker of the company;
 - k. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest.
- g) **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Company by any person either as principal or agent.
- h) **“Director”** means a member of the Board of Directors of the Company.
- i) **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- j) **“Insider Trading”** means the buying, selling or dealing in the securities of AWL by a Director, Member of Management, an Employee of AWL or by any other person such as internal and/or statutory auditor, agent, advisor, analyst, consultant etc. who has, or is reasonably expected to have, knowledge of material ‘inside’ price sensitive information, which is not available to the general public.

The dealing in securities by an 'insider' with the utilization of 'inside' information to profit at the expense of other investors, who do not have access to the same information.

- k) **"Insider"** means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information
 - iii) in receipt of unpublished price sensitive information pursuant (UPSI) to a "legitimate purpose".

The above mentioned person shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

- l) **"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.
- m) **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.
- n) **"Key Managerial Person"** means person as defined in Section 2(51) of the Companies Act, 2013
- o) **"Promoter"** shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- p) **"Regulations"** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 & / or as may be amended from time to time.
- q) **"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.
- r) **"Specified Persons"** means the Directors, connected persons; the insiders, the Designated Employees and the promoters & their immediate relatives.
- s) **"Specified"** means specified by the Board in writing.
- t) **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time).
- u) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- v) **"Trading day"** means a day on which the recognized stock exchanges are open for trading.

w) **"Unpublished price sensitive information"** means any information, relating to a company or its securities directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, takeovers, de-listings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel;

4. CORPORATE COMMITTEE FOR PROHIBITION OF INSIDER TRADING (CCPIT)

A Committee consisting of the following employees will be named as **Corporate Committee for Prohibition of Insider Trading** to monitor this Code.

- a) Managing Director
- b) Chief Financial Officer
- c) Company Secretary
- d) Head – HR or equivalent

The Company Secretary will work as the Secretary of the Committee. He will also work as the Compliance Officer.

5. DESIGNATED PERSONS

The following persons will be treated as Designated Persons under the regulations:-

- a) All the Promoters
- b) All the EMT Members
- c) All the Employees working at the Executive Chairman's Office
- d) All the Employees working at the Managing Director's Office
- e) All the Business Heads, NSMs, RBMs, ABMs TMs and PMs or equivalent
- f) All the Employees of the following Departments:-
 - Legal & Secretarial Department
 - Accounts and Finance Department
 - Corporate Administration Department
- g) Employees of material subsidiary
- h) Any other employee as may be decided by Board of Directors / CCPIT from time to time

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 & when the information changes.

- Designated Person and his / her Immediate relatives
- Persons with whom such designated person(s) shares a material financial relationship
- Phone numbers which are used by them

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.

Explanation -The term “**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 during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude transactions in which the payment is based on arm’s length transactions.

6. ROLE OF COMPLIANCE OFFICER

The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of confidentiality of “Price-sensitive Information”, pre-clearing of “Designated Employees and their dependants”, trades (directly or through respective department heads, as decided by the Company), monitoring of trades and the implementation of the “Code” under the overall supervision of the Board of the Company. The Compliance Officer shall maintain a record of the Designated Employees and any changes made in the list of the Designated Employees.

The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and vis-a-vis AWL’s “Code”.

7. PRESERVATION OF “PRICE SENSITIVE INFORMATION”

a. 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 **legitimate purposes**, performance of duties or discharge of legal obligations. All the Employees / Directors shall maintain the confidentiality of all the Price-Sensitive Information. They shall not pass on such information to any person directly or indirectly, by way of making a recommendation for the purchase or sale of securities.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
- not attracting 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 constitutes unpublished price sensitive information is disseminated / made generally available at least two trading days prior to the proposed transaction being effected, in such form as the Board of Directors may determine.

However, 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.

Explanation –For the purpose of illustration, the term “**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 these regulations.

b. Need to Know

‘Unpublished Price-Sensitive Information’ will be handled on a “need to know” basis, i.e. ‘Unpublished Price-Sensitive Information’ will be disclosed only to those within AWL, by the Compliance Officer, 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.

All non-public information received by any employee should immediately be reported to the Compliance Officer / CCPIT.

Chinese Wall

- To prevent the misuse of confidential information the Company shall adopt a “Chinese Wall” policy / guidelines, which separates those areas of the Company, which routinely have access to confidential information, considered “inside areas” from those areas which deal with sale / marketing / investment advice or other departments providing support services, considered “public areas”.
- The employees in “inside area” shall not communicate any Price-Sensitive Information to anyone in “public area”.
- The employees in “inside area” may be physically segregated from employees in public area.
- Demarcation of various departments as “inside area” may be implemented by the Company.
- In exceptional circumstances employees from the “public areas” may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the Compliance Officer.

c. Limited access to confidential information

Files containing confidential information shall be kept secured. Computer files must have adequate security of login and password, etc.

8. TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

No insider shall trade in securities of the Company when in possession of unpublished price sensitive information.

Explanation - When a person, who has traded in securities while in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

However, the insider may prove his innocence by demonstrating the circumstances including the following:

- The transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information, without being in breach of regulation 3 of the Regulations and both parties had made a conscious & informed trade decision.

Provided that such unpublished price sensitive information was not obtained under Regulation 3(3) of the Regulations.

Provided further that such off-market trades are reported by the insiders to AWL within two working days. AWL in turn will notify the particulars of such trades to the stock exchange within two trading days from receipt of the disclosure or from becoming aware of such information / such trades.

- The transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information, without being in breach of regulation 3 and both parties had made a conscious & informed trade decision;
- Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of the regulations.
- The transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- The transaction in question was undertaken pursuant to the exercise of stock options, in respect of which the exercise price was predetermined in compliance with applicable regulations.
- In the case of non-individual insiders: The individuals, who were in possession of such unpublished price sensitive information, were different from the individuals taking trading decisions and such decision-making individuals were not in possession of the unpublished price sensitive information when they took the decision to trade; and appropriate & adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been reached.

- In the case of non-individual insiders: When a person, who has traded in securities, has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. Trading, when in possession of unpublished price sensitive information, is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.
- In the case of connected persons the onus of establishing that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

9. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

The Company has an Institutional Mechanism for Prevention of Insider Trading, which includes an adequate and effective system of internal controls to ensure compliance with the requirements of these regulations to prevent insider trading.

10. PREVENTION OF MISUSE OF PRICE SENSITIVE INFORMATION

All the Directors / Officers and Designated Persons shall be subject to trading restrictions as enumerated below:-

a. Trading Plan

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the CCPIT for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

This provision intends to give an option to persons who may be perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of unpublished price sensitive information, when a trade under a trading plan is actually executed, would not prohibit the execution of such trades which were pre-decided even before the unpublished price sensitive information came into being.

- Trading Plan shall:
 - not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
 - not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the third trading day after the disclosure of such financial results;
 - entail trading for a period of not less than twelve months;

- not entail overlap of any period for which another trading plan is already in existence;
 - 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
 - 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 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 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 commence, 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. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

- Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

b. Trading Window

- Compliance Officer shall specify a trading period, to be called “Trading Window”, for trading in AWL’s securities. The trading window shall be closed during the time any ‘price sensitive information’ is unpublished.
- When the trading window is closed, the Designated Employees / Officers / Directors shall not trade in AWL’s securities during such period even for a single share.
- The trading window shall, inter alia, be closed at the time of :-
 - Declaration of Financial Results (quarterly, half-yearly and annual) whether audited or unaudited.

- 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, etc.
 - Amalgamation, mergers, takeovers, major spin off / joint ventures and buy-back
 - Disposal of whole or substantially whole of the undertaking of the Company
 - Any major changes in policies, plans or operations of AWL
- 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. For declaration of financial results the trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by Audit committee and Board meeting shall be as narrow as possible and preferably on the same day to avoid leakage of material information.
- 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.

11. TRADING RESTRICTIONS FOR INSIDERS

All the Directors / Officers / Designated Employees and their dependants of AWL shall conduct all their dealings in the securities of AWL only in a valid trading window and shall not deal in any transaction involving the purchase or sale of AWL's securities during the periods when trading window is closed, as referred above or during any other period, as may be specified by the Compliance Officer from time to time.

12. PRE CLEARANCE OF TRADES

- All the Directors / Officers / Designated Employees and their dependants, who intend to deal in the securities of AWL (above a minimum threshold limit of 10000 shares), should pre clear the transactions. The pre-dealing procedure shall be as follows:
- An application may be made in the prescribed Form (**Annexure 1**) to the Compliance officer indicating the estimated number of securities that the Specified Employee 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.

- An undertaking (**Annexure 2**) shall be executed in favour of the Company by such Specified Employee incorporating, *inter alia*, the following clauses, as may be applicable:
 - That the employee / director / officer does not have any access or has not received “Price Sensitive Information” up to the time of signing the undertaking.
 - That in case the Specified Employee has access to or receives “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 dealing in the securities of the Company till the time such information becomes public.
 - That he / she has not contravened the code of conduct for prevention of insider trading, as notified by the Company from time to time.
 - That he / she has made a full and true disclosure in the matter.
- All Specified Persons shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Specified Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (**Annexure 4**).
- If the order is not executed within seven days after the approval is given, the employee / director must pre-clear the transaction again.
- All Specified Persons, who buy or sell any number of shares of the Company, shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Education and Protection Fund administered by SEBI under the Act.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would actually commence when the securities are actually allotted.

- The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

➤ **Other Restrictions**

All the Directors / Officers / Designated Employees and their dependants shall execute their order in respect of securities of AWL 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 Director /

Officer / Designated Employee, must pre clear the transaction again, by following the above procedure.

- All the Directors / Officers / Designated Employees who buy or sell any number of shares of AWL, shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months, following the prior transaction. All the Directors / Officers / Designated Employees shall also not take positions in derivative transactions in the shares of AWL at any time.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted. In case, sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer or CCPIT after recording the reasons for the same in writing.

- Personal Emergencies could be any one, but not restricted to the following cases, subject to the clearance of CCPIT
 - Marriage in the family or family function
 - Unforeseen medical expenses
 - Unforeseen happenings in the family
 - Education of self / children / dependants, etc.
 - Debt recovery / liabilities payable
- The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- The disclosures of trading in securities 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.
- The disclosures made under this Code shall be maintained for a period of five years.

13. DISCLOSURE REQUIREMENTS

a) Initial Disclosures

- Every promoter/ member of Promoter Group / Key Managerial Personnel & Director of AWL , within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form.(Annexure 5)
- Every person on appointment as a Key Managerial Personnel or a Director of AWL or upon becoming a promoter or member of promoter group shall disclose his / her 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.

b) Continual Disclosure

- Every promoter, member of promoter group, designated person and Director of AWL 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**.

The disclosure shall be made within 2 trading days of:

- the receipt of intimation of allotment of shares, or
 - the acquisition or sale of shares or voting rights, as the case may be
- The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

c) Disclosure by the Company

AWL, in turn, within 2 trading days of receipt of the said disclosures or from becoming aware of such information, shall disclose to all the Stock Exchanges, on which AWL's shares are listed, the information received under the paragraphs of initial disclosure and continual disclosures.

d) E – filing

The disclosures required under this regulation may also be made through electronic filing in accordance with the system devised by the stock exchange.

14. DISSEMINATION OF PRICE SENSITIVE INFORMATION

- No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- The following guidelines shall be followed while disclosing / disseminating Price Sensitive Information to analysts, media persons and institutional investors:
- Only public information to be provided.
 - At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
 - Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
 - Simultaneous release of information after every such meet to the Stock Exchanges.

15. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT

- a) In case of any violation of the code, a corporate action will be taken by CCPIT and punishment may be awarded.

Action in case of Default

Without prejudice to the Directions under regulation 11, if any person violates provisions of these regulations, he / she shall be liable for appropriate action under Sections 11 - 11b, 11d chapter via and section 24 of the Act after giving an opportunity of being heard.

- b) Action taken by CCPIT for violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will not preclude SEBI from taking any other action separately.
- c) In case of any violation of the regulations observed by AWL / CCPIT, it shall be intimated to the SEBI by AWL and such person (violator) will be subjected to the action that may be taken by SEBI.
 - Under Section 24 of SEBI Act, 1992 anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of one year or with fine or with both.
 - Apart from the above, to protect the interest of the Investors and in the interest of the Securities Market and for the due compliance with the provisions of the SEBI Act, 1992 and the Regulations made thereunder, SEBI may even make enquiries and can even do inspection.
 - SEBI may issue any or all of the following orders:
 - Directing the insider/s or such person/s not to deal in the securities in any particular manner.
 - Prohibiting the insider/s or such person/s from disposing of any of the securities acquired in violation of these Regulations.
 - Restraining the insider to communicate or counsel any person to deal in the securities.
 - Declaring the transaction(s) in the securities as "null and void".
 - Directing the person/s who acquired the securities in violation of these regulations to deliver the securities back to the seller.
 - In case the buyer is not in a position to deliver such securities, the market price prevailing at the time of issuing of such directions or at the time of transactions whichever is higher, shall be paid to the seller.
 - Directing the person to transfer an amount or proceeds equivalent to the cost price or market price of the securities, whichever is higher to the investor protection fund of a Recognised Stock Exchange.

- d) Any person aggrieved by an order of the Board under these regulations may prefer an appeal to the Securities Appellate Tribunal (SAT).

The Compliance Officer and the CCPIT will report to the Executive Chairman / Managing Director.

All the employees and concerned persons are hereby requested to read and strictly follow this Code while they are in the service of AWL or connected to AWL for business.

For **ADOR WELDING LIMITED**

ARUNA B. ADVANI
EXECUTIVE CHAIRMAN

SATISH M. BHAT
MANAGING DIRECTOR

05th February, 2019