

**STATEMENT OF POLICY AND PROCEDURES  
OF  
NAVA BHARAT VENTURES LIMITED**

**GOVERNING MATERIAL, NON PUBLIC INFORMATION AND  
THE PREVENTION OF INSIDER TRADING**

This statement consists of Four Sections

Section	I	- Preamble to the Policy
Section	II	- Policy Preventing Insider Trading
Section	III	- Code of Conduct
Section	IV	- Disclosure Practices/Procedure

**Section - I: Preamble to the Policy**

Preventing insider trading is necessary to comply with the Regulations of Securities and Exchange Board of India (SEBI) as well as to preserve the reputation and integrity of the Company and that of all persons affiliated with it. “Insider trading” occurs when any person purchases or sells a security while in possession of non public material information relating to the security. Insider trading is a crime under Indian laws and the penalties for violating the laws are severe. Insider trading is also prohibited by this Statement and could result in serious sanctions.

This Statement applies to all associates and directors of the Company and any one else who has material inside information about the Company and extends to all activities within and outside an individual’s duties at the Company. Every associate and director must review this Statement. Questions regarding the Statement should be directed to the Company Secretary, the Company’s Compliance Officer, at the Registered Office of the Company.

Prohibition of insider trading has been brought into force sometime back by SEBI through its regulations, in order to ensure that all investors in the market are placed on an equal footing. Insider trading may occur when any connected person trades in securities of the Company, while in possession of un-published price sensitive information of the Company.

However with a view to inculcate a self imposed discipline for preserving the unpublished price sensitive information, SEBI directed the Listed Companies to evolve policy and procedures for preventing insider trading and to implement the same as self regulatory mechanism. It is therefore mandatory to put in place a suitable policy framework and procedure thereof for implementing the prevention of insider trading at the earliest.

## **Section - II: Statement of Policy Preventing of Insider trading**

No Officer/Director/Designated employee shall purchase or sell securities of the Company while in possession of material and non-public information relating to securities.

Further, **no officer/director/Employee shall trade in securities of the Company during the following period:**

**"Beginning with the date of intimation to the Stock Exchanges and ending after two days from the public release"** of the un-audited/audited financial results prepared in accordance with the requirements of listing agreements entered into with the Stock Exchanges and accounting standards of the Institute of Chartered Accountants of India (ICAI) issued from time to time.

*"If meeting is held on Monday, the Stock Exchanges will be informed of the outcome on Monday, which would be treated as public release. Dealings are not permitted on Tuesday & Wednesday. If meeting is held on Friday, dealings are not permitted on Saturday & Sunday."*

This is the period when 'Trading Window' would be closed. The closure of the trading window is subject to change as deemed necessary by Compliance Officer appointed by the Board of Directors of the Company.

Trading in the securities of the Company, by any Officer/Director or any of the designated employees of the Company, **in a valid trading window shall be intimated** to the Compliance Officer **within 24 hours** of the trading.

**The complete holdings of the Officer/Director/Designated Employee should be intimated once in a year as on 31<sup>st</sup> March every year.**

**Trading** in the securities of the Company by any officer/director/designated employee in **excess of the threshold limits** fixed by the Board **shall be pre-cleared** by the Company's compliance officer.

No officer/director/designated employee shall directly or indirectly pass on or tip the "material and non-public" information to anyone, while in possession of such information which should not be communicated to anyone outside the Company under any circumstances or to anyone within the Company except on a need to know basis.

## **DISCLOSURES**

### **Initial Disclosure:**

(1) Any person who holds more than 5% securities in the company shall disclose (FORM – A) to the company, the number of securities held by such person, on becoming such holder, **within 2 working days** of:

- a. the receipt of intimation of allotment of securities; or
- b. the acquisition of securities.

- (2) **Any person who is a promoter or part of promoter group**/director/officer/designated employee shall disclose (FORM – B) to the company, the number of shares or voting rights held by such person, **within 2 working days** of becoming a director or officer of the Company.

**Continual Disclosure:**

- (3) Any person who holds more than 5% securities in the company shall disclose (FORM – C) to the company the number of securities held and change in shareholding, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under point No. (1) or under this point; and such change exceeds 2% of total shareholding in the company.
- (4) **Any person who is a promoter or part of promoter group**/director/officer/designated employee, shall disclose (FORM – D) to the company **and NSE and BSE**, the total number of securities held and change in shareholding, if there has been a change in such holdings from the last disclosure made under point No. (2) or under this point, and the change exceeds Rupees 5 lakh in value or 25000 shares or 1 % of total shareholding, whichever is lower.
- (5) The disclosure mentioned under point No(s) (3) and (4) shall be made **within 2 working days** of;
- the receipt of intimation of allotment of securities, or  
the acquisition or sale of securities."

**Disclosure by company to stock exchanges**

- (6) The Company, **within two days** of receipt, shall disclose to all stock exchanges on which the company is listed, the information received under point No(s) (1), (2), (3) and (4).

**Section - III: Code of Conduct for preventing insider trading.**

1. These regulations may be called "Code of Conduct for Prevention of Insider Trading" and shall come into force from the date of approval of Policy and Code by the Board of Directors of the Company including such amendments/modifications to the code as may be approved by the Board from time to time.
2. Explanation of Insider Trading and other terms:

As noted above, "insider trading" refers to the purchase or sale of a security while in possession of "material" "non-public" information relating to the security. "Securities" include not only stocks (including American Depository Shares), bonds, notes and debentures, but also options, warrants and similar instruments. "Purchase" includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These terms (Purchase and Sale) extend to a broad range of transactions including conventional cash-for-stock transactions, conversions, the grant and exercise of stock options and acquisitions and exercises of warrants or puts, calls or other options related to a security. It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material, non-public information;
- Trading by persons other than insiders while in possession of material, non-public information where the information either was given in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; or
- Communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

For better clarity, the following terms are defined:

**"Board"** means the Board of Directors of the Company.

**"Code of Conduct"** means code of conduct for prevention of insider trading.

**"Company"** means NAVA BHARAT VENTURES LIMITED

**"Compliance Officer"** means an officer appointed by the Board for the purpose of monitoring, educating the employees and setting forth policies and administration of the procedures under the overall supervision of the Board of the Company.

**"Designated employees"** means all Heads of the Finance & Accounts Departments in all the Units i.e. Paloncha, A.P., Samalkot, A.P., Dhenkanal, Odisha and Corporate Office, Hyderabad.

**"Insider"** means any person who is or was connected with the Company and includes any officer/director/employee, statutory auditors, cost auditors, bankers, tax and management consultant or advisor, legal advisor or solicitor, official or a member of stock exchange or of clearing house, merchant banker, share transfer agent, registrar to an issue, broker, etc. and relatives of any of the aforementioned persons.

**"Insider trading"** means when a person sells or purchases the securities of the Company while in possession of inside information. Inside information is the information, which is "material and non-public".

**"Material and Non-Public Information"** (un-published price sensitive information) means the information whether positive or negative, the tipping off which may influence the general investor in the market to take such decisions as to sell, buy or hold the securities of the Company for some time.

The following is the illustrative list of material information

1. Financial results(quarterly, half-yearly and annual) of the Company;
2. Intended declaration of dividends (both interim and final);
3. Issue of securities by way of public, rights, bonus, etc;
4. Any major expansion plans or execution of new projects;
5. Amalgamation, mergers, takeovers and buy-back of securities;
6. Disposal of the whole or substantially whole of the undertaking;
7. Any change in policies, plans or operations of the Company;

The Board may review and categorise, from time to time such other information as material information, as it may deem fit and appropriate in the fitness of the circumstances.

**"Need to Know"** means the information which is considered price sensitive which must be handled on a Need to Know basis and should be disclosed only to those employees who need such 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 directly received by any employee should immediately be reported to the Head of the Department.

**"Officers"** means those in the cadres of Chief General Managers, Vice Presidents, Executive Vice Presidents, Senior Executive Vice Presidents and Chief Financial Officer of the Company.

**"Associates"** means Officers and designated employees as defined above.

### ***Dependent Family Members***

The statements pertaining to disclosures, prohibition or restrictions in trading of securities, and pre clearance procedures applicable to Officers/Directors/Designated employees shall also be applicable to their dependent family members as follows:

- (1) Spouse
- (2) Son
- (3) Unmarried Daughter
- (4) Parents

**"SEBI"** means Securities and Exchange Board of India, a market regulator established under SEBI Act, 1992.

**"Securities"** include

- (i) Shares, scrips, stocks, bonds, debentures, debenture stocks or other marketable securities of a like nature in or of the Company
- (ii) Such other instruments as may be declared by the Central Government to be securities and
- (iii) Rights or interest in securities.

**"Substantial interest"** means any person who holds whether directly or indirectly 5% or more in the share capital of the Company who shall be treated as person having substantial interest in the Company. Save as otherwise provided in SEBI Takeover Code, such persons while dealing in securities of the Company shall comply with the regulation 11 (1) of SEBI's (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and shall also subject to review of limits by SEBI from time to time.

**"Total Shareholding"** means total paid-up share capital of the Company from time to time.

3. The compliance officer shall maintain the record of officers and designated employees and any change in the list of employees. The Compliance Officer shall give clarifications, if any sought by the officers/directors/designated employees regarding SEBI's prohibition of insider trading regulations and Company's code of conduct.

#### 4. PROCEDURE PREVENTING INSIDER TRADING

The following procedures have been established, and will be maintained and enforced to prevent insider trading. Every associate or director is required to follow these procedures.

##### A. Identifying Material. Non-public Information

Prior to directly or indirectly trading any security of the Company, every associate or director is required to determine whether they are in possession of material, non-public information relating to such security. In making such assessment, the explanations of "material" and "non-public" information should be of assistance and the Company's Compliance Officer should be consulted in the event of any uncertainty. If after consulting with the Company's Compliance Officer it is determined that such associate or director is in possession of material, non-public information, there shall be no trading in such security by them.

##### B. Information Relating to the Company

###### *1. Access to Information:*

Access to material, non-public information about the Company including information with respect to their business, earnings or prospects, should be limited to associates and directors of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances or to anyone within the Company on an other than need to know basis.

In communicating material, non-public information to associates of the Company, all associates and directors must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

###### *2. Inquiries From Third Parties:*

Inquiries from third parties, such as industry analysts or members of the media, about the Company should be directed to the Executive Director.

##### C. Limitations on Access to the Company Information.

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

1. All associates or directors should take all steps and precautions necessary to restrict access to, and secure, material, non-public information by, among other things:

Maintaining the confidentiality of Company related transactions;

Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information. Review of confidential documents in public places should not be conducted so as to prevent access by unauthorized person;

Restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);

Promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;

Properly disposing of all confidential documents and other papers, after there is no longer any business or other legally required need;

Restricting access to areas likely to contain confidential documents or material, non-public information; and

Avoiding the discussion of material, non-public information in places where the information could be overheard by others such as in elevators, canteens/lunch rooms restaurants, airplanes or taxicabs.

5. **Preservation of Price Sensitive information:** Officers/Directors/Designated employees shall maintain the confidentiality of all price sensitive information. Officer/director/designated employee shall not pass on such information to any person directly or indirectly. All files containing confidential information shall be kept secure. Computer files shall have adequate security of login and passwords.

6. **Trading restrictions**

All Directors/officers and designated employees of the Company shall be subject to trading restrictions as enumerated below:

*"Trading Window"* means the period during which trading in securities of the Company will be allowed as may be notified by the Compliance Officer from time to time.

Board shall authorise the compliance officer to specify trading window on the events other than item no 1 stated below. Trading window in respect of item No.1 is the period specified in the policy document.

Trading Window shall be closed at the time of

1. Financial results(quarterly, half-yearly and annual) of the Company;
2. Intended declaration of dividends (both interim and final);
3. Issue of securities by way of public, rights, bonus, etc;
4. Any major expansion plans or execution of new projects;
5. Amalgamation, mergers, takeovers and buy-back of securities;
6. Disposal of the whole or substantially whole of the undertaking;
7. Any change in policies, plans or operations of the Company

No dealings i.e., No transaction of any purchase or sale in company's shares during the period when trading window is closed.

7. Officers/Directors/Designated employees shall trade in securities of the Company in a valid Trading Window. The details of trading in securities shall be intimated within 24 hours thereof to the compliance officer.

8. In case of Employee Stock Option Schemes (ESOPs), if any, exercise of options may be allowed in the period when trading window is closed, but sale of securities allotted on exercise of ESOPs will not be allowed when trading window is closed.

**9. Threshold Limits**

The following are the threshold limits fixed by the Board:

- (1) Market value of Rs.5,00,000/- or
- (2) 25,000 securities or
- (3) 1 % of total paid up equity, whichever is lower.

**10. Pre-clearance of the Trades:** Officers/Directors/Designated employees who intend to deal in securities of the Company in excess of the above threshold limits, should get pre-clearance of the trades as per the procedure prescribed hereunder:

- Application and an undertaking in the prescribed format should be made to the Company's compliance officer furnishing number of shares and DP and Client ID details.
- When a person having substantial interest in the Company, makes an application to the compliance officer for pre-clearance, it shall be subject to provisions of SEBI Takeover Code.

**11. Other restrictions:**

- a) All directors/officers/designated employees and their dependents 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 employee/director must pre-clear the transaction again.
- b) All directors/officers/designated employees 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 directors/officers/designated employees shall also not take positions in derivative transactions in the shares of the Company at any time.
- c) In the 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.

**12. Disclosure Requirements:**

- a) **All holdings in securities, if any, of the Company by the Officers/Directors/Designated employees at the time of joining.**
- b) **Annual statement of transactions in the securities of the Company and continual disclosures, as applicable.**



## 12.1. Reporting Requirements

The compliance officer shall report to the Managing Director on monthly basis together with supporting documents containing shareholding details of the Officers/Directors/Designated employees.

Periodical and annual reports containing the trades pre-cleared and such other information to the Board.

The compliance officer shall maintain all the records under this code for such period as may be prescribed by SEBI from time to time.

Disclosures to all Stock exchanges, where the Company is listed, in accordance with the code.

## 12.2. Penalties:

Any trade done or communication of any information for trading in securities in contravention of the code of conduct by the Officers/Directors/designated employees shall lead to such actions as the Board may take in addition to the following:

- Salary freeze
- Suspension from duties
- Ineligibility for participation in the ESOPs, if any, etc.

The action taken by the board, shall not preclude the action of the SEBI that it may take under the SEBI Act, 1992.

Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

## 12.3 Violation of SEBI regulations:

In case it is observed that there has been a violation of SEBI (Prohibition of Insider Trading) regulations, SEBI shall be informed by the Compliance Officer of the Company.

## **Section IV : Code of Corporate Disclosure Practices for Prevention of Insider Trading**

### 1.0 Corporate Disclosure Policy

1.1 To ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed by the company: -

### 2.0 Prompt disclosure of price sensitive information

2.1 Price sensitive information shall be given by the company to stock exchanges and disseminated on a continuous and immediate basis.

2.2 The company may also consider ways of supplementing information released to stock exchanges by improving investor access to their public announcements.

### 3.0 Overseeing and co-ordinating disclosure

3.1 The company shall designate a senior official (such as compliance officer) to oversee corporate disclosure.

3.2 This official shall be responsible for ensuring that the company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedure.

3.3 Information disclosure/ dissemination may normally be approved in advance by the official designated for the purpose.

3.4 If information is accidentally disclosed without prior approval, the person responsible may inform the designated officer immediately, even if the information is not considered price sensitive.

4.0 Responding to market rumours.

4.1 The company shall have clearly laid down procedures for responding to any queries or requests for verification of market rumours by exchanges.

4.2 The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

5.0 Timely Reporting of shareholdings / ownership and changes in ownership:

5.1 Disclosure of shareholdings/ ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.

6.0 Disclosure / dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors

The company should follow the guidelines given hereunder while dealing with analysts and institutional investors: -

(i) Only Public information to be provided

The Company shall provide only public information to the analyst/ research persons/ large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.

(ii) Recording of discussion

In order to avoid misquoting or misrepresentation, it is desirable that at least two-company representative be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.

(iii) Handling of unanticipated questions

The company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. 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.

(iv) Simultaneous release of Information

When the company organises meetings with analysts, the company shall make a press release or post-relevant information on its website after every such meet. The company may also consider live webcasting of analyst meets.

7.0 Medium of disclosure/ dissemination

(i) Disclosure/ dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.

(ii) The Company shall ensure that disclosure to stock exchanges is made promptly.

(iii) The Company may also facilitate disclosure through the use of their dedicated Internet website.

(iv) Company websites may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.

(v) The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the company website.

8.0 Dissemination by stock exchanges

(i) The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.

(ii) Information furnished by the companies under continuous disclosure requirements, should be published on the web site of the exchange instantly.

(iii) Stock exchanges should make immediate arrangement for display of the information furnished by the companies instantly on the stock exchange web site.

## **BRIEF CHECK LIST REGARDING INSIDER TRADING FOR OFFICERS/DIRECTORS/DESIGNATED EMPLOYEES**

Before engaging in any transaction in Nava Bharat Ventures Limited securities, please read the following:

- 1) The SEBI Regulations and the Company's policy **prohibit transactions** in the securities of the Company at a time when you may be in possession of material information about the Company which has not been publicly disclosed. This also applies to members of your household as well as all others whose transactions may be attributable to you. Material information, in short, is any information, which could affect the price of the securities. Either positive or negative information may be material. You should wait until the information has been made available to the public and for a further period of within 48 hours before engaging in any transaction.
- 2) No Person / No Employee / No Officer / No designated employee / No Insider shall directly or indirectly pass on the material/non-public information to any one while in possession of such information which should not be communicated to any one outside or within the Company.
- 3) The above Officers/Directors/designated Employees shall trade in a valid window and the trading details shall be intimated within 24 hours thereof to the Compliance Officer.
- 4) All the above Officers/Directors/designated Employees who intend to deal in the securities of the company during the valid trading window, above threshold limit of Rs.5 lakhs in value or 25000 shares, whichever is lower should get pre clearance of the transactions as per the pre-dealing procedure described hereunder.
- 5) No Officers in the above cadres/Directors/designated Employees may trade in any securities of the company during the period **beginning with the date of intimation to the Stock Exchanges ending two days after the public release of earnings data** prepared in accordance with the Listing agreement with Stock Exchanges for such fiscal quarter.
- 6) All the above Officers, designated Employees, or Directors of the company, shall disclose to the company's Compliance Officer, the number of shares or voting rights held by them, **within 2 working days** of effective date of this revised policy, or of becoming a designated Employee/all Officers in the above cadres or director of the company.
- 7) All the above Officers, designated Employees or Directors of the company, shall disclose to the **company and NSE & BSE**, the change in shareholding or voting rights, if there has been a change in such holdings from the last disclosure made, and the change exceeds in aggregate Rs.5 lakhs in value or 25000 shares, whichever is lower.
- 8) The above Officers/Directors/designated Employees should intimate the Company their total holdings once in a year as on 31<sup>st</sup> March together with the list of transactions.

- 9) a) All directors/officers/designated employees and their dependents 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 employee/director must pre-clear the transaction again.
- b) All directors/officers/designated employees 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 directors/officers/designated employees shall also not take positions in derivative transactions in the shares of the Company at any time.

**Clarifications:**

- a) Designated employees mean all Heads of the Finance & Accounts Departments in all the Units i.e. Paloncha, A.P., Samalkot, A.P., Dhenkanal, Odisha and Corporate Office, Hyderabad.
- b) The statements pertaining to disclosures, prohibition or restrictions in trading of securities, and pre clearance procedures applicable to the above Officers /Directors/ designated Employees as the case may be, shall also be applicable to their dependent family members/relatives.
- c) For further information and guidance, please refer to our Statement Governing the Prevention of Insider Trading and do not hesitate to contact the Company's Compliance Officer, i.e., the Company Secretary at Registered Office of the Company.