

FORCE MOTORS LIMITED
MUMBAI-PUNE ROAD, AKURDI, PUNE 411035
CIN: L34102PN1958PLC011172
(Doc No. 1 /2015-16)

**CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING,
MONITORING AND REPORTING OF TRADING BY INSIDERS**

1. Definitions

- 1.1 “**Code**” or “**Code of Conduct**” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of **FORCE MOTORS LIMITED** (the Company for brevity) as amended from time to time.
- 1.2 “**Connected Person**” means:
- (i) any person who is or has during the six months prior to the concerned act been associated with a 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
 - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
 - (a) an immediate relative of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i) a banker of the Company; or
 - (j) a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- 1.3 “**Compliance Officer**” for this Regulation shall be the Compliance Officer already appointed by the Company under Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and accordingly intimated to the Stock Exchange.

- 1.4 **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- 1.5 **“Designated Employee(s)”** shall include:
- (i) every employee in the grade of Deputy General Manager and above;
 - (ii) every employee in the finance, accounts, secretarial and legal department as may be determined by the Compliance Officer.
 - (iii) any other employee who is expected to possess Unpublished Price Sensitive Information.
- 1.6 **“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
- 1.7 **“Insider”** means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- 1.8 **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 1.9 **“Specified Persons”** means the Directors, Key Managerial Personnel, Connected Person, Insider, the Designated Employee(s) and the Promoter are collectively referred to as Specified Persons.
- 1.10 **“Trading Window”** means a period of trading in Company's securities by the Specified Persons.
- 1.11 **“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, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
 - (vi) material events in accordance with the listing agreement

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

2. Coverage

Specified Persons (including their Immediate Relative) shall not either on his own behalf or on behalf of any other person deal in securities of the company on the basis of or when in possession of unpublished price sensitive information. (Read with clause 5 below of this code.)

Specified Persons (including their Immediate Relative) shall not communicate or counsel or procure any unpublished price sensitive information.

3. Role of Compliance Officer

The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors from time to time.

4. Preservation of “Price Sensitive Information”

Price Sensitive 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 the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

5. Trading Window and Window Closure

- a. The trading window shall be closed when the Compliance Officer determines that a Specified Person can reasonably be expected to have possession of unpublished price sensitive information.
- b. The Trading Window Open and Close dates shall be advised by the Compliance Officer through the Company's Intranet. In addition, the Company may from time to time notify any other event and any other period for closing of trading window.
- c. When the trading window is closed, the Specified Persons and their immediate relative shall not trade in the Company's securities in such period.
- d. 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.
- e. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

6. Pre-clearance of trades

All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is above 5000 shares or up to Rs. 10,00,000 (market value) whichever is less, should pre-clear the transaction. However, no Specified Person shall be entitled to apply for pre-clearance of any proposed trade if such specified person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

- a. An application may be made in the prescribed Form (Annexure 1) to the Compliance officer.
- b. An undertaking (Annexure 2) shall be executed in favour of the Company by such Specified Persons.
- c. All Specified Persons shall execute their order in respect of securities of the Company within seven trading days after the approval of pre-clearance (Annexure 3) 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)
- d. If the order is not executed within seven trading days after the approval is given, the employee/director must pre-clear the transaction again.
 - e. All Specified Persons who buy or sell any number of shares of the Company shall not enter into an contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction. 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 Protection and Education Fund administered by SEBI under the Act. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time.

7. Trading Plan

An Insider shall comply with the procedure of trading plans prescribed in the Regulations.

8. Disclosures

i. Initial Disclosure

Every promoter/ Key Managerial Personnel / Director of the Company shall, within 30 days of these regulations taking effect, disclose to the Company the details of their shareholding in the Company and also the holdings of their immediate relative in the prescribed Form 'A'.

Every person on appointment as a key managerial personnel/ director of the Company or upon becoming a promoter shall disclose his shareholding in the Company, as on the date of appointment or becoming a promoter, within seven days of such appointment in the prescribed Form 'B'.

ii. Continual Disclosure

Every promoter, designated employee and director of the Company shall disclose, within two trading days of such transaction in the prescribed Form 'C', to the Company the shares acquired or disposed of and if the value whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Ten Lakh rupees.

The Company shall also abide by the disclosure requirements as may be prescribed in the Regulations.

9. 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.

10. Penalty for contravention of the Code

Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, and the Board of Directors shall be promptly informed.

ANNEXURE 1
SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date:

To
The Compliance Officer
Force Motors Limited

Dear Sir/Madam,

Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sale / subscription of Equity shares of the Company as per details given below:

1. Name of the applicant
2. Designation
3. Number of securities held as on date
4. Folio No. / DP ID / Client ID No.)
5. The proposal is for (a) Purchase of securities
(b) Subscription to securities
(c) Sale of securities
6. Proposed date of dealing in securities
7. Estimated number of securities proposed to be acquired/subscribed/sold
8. Price at which the transaction is proposed
9. Current market price (as on date of application)
10. Whether the proposed transaction will be through stock exchange or off-market deal
11. Folio No. / DP ID / Client ID No. where the securities will be credited / debited

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature)

ANNEXURE 2

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR
PRE-CLEARANCE UNDERTAKING**

To,

Force Motors Ltd.,

I,, of the
Company residing at

.....

....., am desirous of dealing in *
shares of the Company as mentioned in my application dated for
pre-clearance of the transaction. I further declare that I am not in possession of or otherwise
privity to any unpublished Price Sensitive Information (as defined in the Company's Code of
Conduct for prevention of Insider Trading (the Code) up to the time of signing this
Undertaking. In the event that I have access to or received any information that could be
construed as "Price Sensitive Information" as defined in the Code, after the signing of this
undertaking but before executing the transaction for which approval is sought, I shall inform
the Compliance Officer of the same and shall completely refrain from dealing in the
securities of the Company until such information becomes public. I declare that I have not
contravened the provisions of the Code as notified by the Company from time to time. I
undertake to submit the necessary report within four days of execution of the transaction / a
'Nil' report if the transaction is not undertaken. If approval is granted, I shall execute the deal
within 7 trading days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date:

Signature:

.....

* Indicate number of shares

ANNEXURE 3
FORMAT FOR PRE- CLEARANCE ORDER

To,
Name:
Designation:
Place:

This is to inform you that your request for dealing in (nos) shares of the Company as mentioned in your application dated is approved. Please note that the said transaction must be completed on or before (date) that is within 7 trading days from today. In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

For **Force Motors Ltd.**

COMPLIANCE OFFICER

Date :

Encl: Format for submission of details of transaction (Annexure 4).

ANNEXURE 4

FORMAT FOR DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / dealing in securities of the Company)

To

The Compliance Officer,
Force Motors Limited

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to securities as mentioned below on (date)

Name of holder	No. of securities dealt with	Bought/sold/ subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Date:

Signature:

Name:

Designation:

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

[to be submitted within 2 trading days of transaction, if traded value exceeds Rs.10,00,000]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:
