

**INDIA NIPPON ELECTRICALS LTD**  
**Code of Practices and Procedures for Fair**  
**Disclosure of Unpublished Price Sensitive Information**

**1. Corporate Disclosure Policy**

The Company's Corporate Disclosure Policy is based on the following principles:

- a. Prompt disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available
- b. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.

**2. Unpublished Price Sensitive Information**

"Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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 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 KMP
- (vi) Any information which is material as per the Company's policy on determination of materiality and which is expected to have an impact on the Company's share price.

**3. Chief Investor Relations Officer**

- a. A senior officer of the company shall be designated the Chief Investor Relations Officer.

The Chief Investor Relations Officer, under the supervision of the Board of Directors of the Company, shall deal with dissemination of information and disclosure of unpublished price sensitive information and be responsible for implementation of this Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ('the Fair Disclosure Code').

- b. Any decision to disclose price sensitive information shall be advised to the Chief investor Relations Officer who shall be responsible for making such information generally available including dissemination of such information to the stock exchanges and publication on the Company's website.

- c. The Chief investor Relations Officer shall ensure:

- i. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available

- ii. Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- iii. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.

#### **4. Responding to market rumors:**

The Chief investor Relations Officer shall respond to any queries or requests for verification of market rumors by exchanges. The Chief investor Relations Officer shall decide whether a public announcement is necessary for verifying or denying any rumours and take such action as may be necessary.

#### **5. Meetings with analysts and other investor relations conferences**

a. The Company shall record proceedings of meetings with analysts and other investor relations conferences and publish transcripts or recordings of such meetings and conferences on the official website at the earliest to ensure official confirmation and documentation of disclosures made.

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

#### **6. Medium of disclosure/dissemination**

a. Disclosure /dissemination of information may be done through various media such as publication of results in company's website and/or press release so as to achieve maximum reach and quick dissemination.

b. The company shall supplement the information released to Stock Exchanges by public announcements and / or by simultaneously publishing information on the company's website.

c. The company's website shall provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.

#### **7. Handling of all unpublished price sensitive information on a need-to-know basis.**

a. Unpublished price sensitive information is to be handled on a need to know basis i.e. it should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

b. The Company shall ensure that UPSI is communicated, provided or is accessible to Insiders or procured by any person only in furtherance of legitimate purposes.

#### **c. Principles for determination of Legitimate Purposes:**

Legitimate purpose shall include sharing of UPSI 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. The UPSI shared with the aforesaid persons should be in line with the below mentioned principles.

The purposes involving sharing of UPSI which shall be deemed to be legitimate, shall include, but not restricted to the following:

- I. Sharing of relevant UPSI is in the ordinary course of business of the Company;
- II. whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- III. If it is undertaken by any person to fulfil the obligation of his/ her role with respect to the Company;
- IV. Sharing of relevant UPSI for facilitating conduct of due diligence for undertaking any transaction in the ordinary course of business;
- V. Sharing of relevant UPSI in case it is mandatory for performance of duties or discharge of legal obligations.
- VI. whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI by way of suitable contractual agreements.

**d. Process and mode of sharing the information**

- Dissemination of UPSI, if made in electronic format shall be made with adequate password protection;
- UPSI should be identified by a code i.e., folders and files should not have the names of the concerned UPSI before public announcement;

**8. DIGITAL DATABASE**

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails to ensure non-tampering of the database.

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As amended by the Board of Directors at its meeting held on 30<sup>th</sup> May 2019