

# **NEW CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Under Regulation 8(1) read with Regulation 3(2a) of the SEBI (Prohibition of Insider Trading) Regulations, 2015]

## **1. INTRODUCTION:**

- 1.1 The Board of Directors of Shri Dinesh Mills Limited (hereinafter referred to as “The Company”) adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” (**“Existing Code”**) pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 1.2 Pursuant to amendments in the SEBI ((Prohibition of Insider Trading) Regulations, 2015 vide the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 effective from 1<sup>st</sup> April, 2019, the Company is required to make a policy for determination of “Legitimate Purposes” as a part of “Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information” formulated under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015. (**“PIT Regulations”**)
- 1.3 **Accordingly**, the Board of Directors of the Company has adopted this new code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (**“UPSI”**) (**“Fair Disclosure Code”**) incorporating a policy for determination of “Legitimate Purposes” in its meeting held on 25<sup>th</sup> May, 2019 which is effective from 1<sup>st</sup> April, 2019 in place of Existing Code.

## **2. PRINCIPLES OF FAIR DISCLOSURE:**

The Company has adopted the following principles of fair disclosure in order to adhere to each of the principles set out in Schedule A of PIT Regulations:

- 2.1 The Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information that may impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 2.2 The company shall ensure a uniform and universal dissemination of Unpublished Price Sensitive Information to avoid Selective disclosure.
- 2.3 The Compliance Officer of the Company, Shri J. B. Sojitra, Company Secretary of the Company shall act as the Chief Investor Relations Officer of the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015 to deal with dissemination of information and disclosure of UPSI.
- 2.4 The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 2.5 The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of markets rumours by Regulatory Authorities.
- 2.6 The Company shall ensure that information shared with Analysts and research personnel, if any, is not UPSI.

- 2.7 The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosure made.
- 2.8 The Company shall ensure the handling all UPSI on a need to know basis.

3. **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES AS PER REGULATION 3(2A) OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015:**

3.1 **Purpose of the Policy:** This policy is for the purpose of taking care about communication or procurement of UPSI.

3.2 **Communication of UPSI:**

An insider as defined in Regulation 2(g) of the PIT Regulations shall not:

- Communicate, provide, or allow access to any UPSI, relating to the Company or securities of the Company listed with stock exchanges, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- It is an obligation on all insiders who are essentially persons in possession of UPSI to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.

3.3 **Procurement of UPSI:**

- No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or securities of the Company, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- It is intended to impose a prohibition on unlawfully procuring possession of UPSI from insider or the Company.
- Inducement and procurement of UPSI not in furtherance of one's legitimate duties and discharge of obligations would be considered as illegal under the PIT Regulations.

3.4 **Meaning of Legitimate purpose:**

- “**Legitimate Purpose**” shall include sharing or communication of UPSI in the ordinary course of business by an insider with the partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants (hereinafter referred to as “**Third Parties**”). However, such sharing of UPSI should not be carried out to evade or circumvent the prohibitions of the PIT Regulations.

3.5 **Recipient of UPSI is also insider:**

- Any person in receipt of UPSI pursuant to a “legitimate purpose” shall also be considered as an “Insider” for purposes of PIT Regulations.

3.6 **Control and restriction on Communication / procurement of UPSI by insiders:**

- Communication of UPSI in terms of para 3.2 above and procurement of UPSI in terms of para 3.3 above, shall be strictly towards furtherance of legitimate purposes, performance of duties or discharge of legal obligations and shall be

subject to maintaining of confidentiality of UPSI by such insiders and Third Parties. The onus on maintaining confidentiality of UPSI shall be on such Insiders and Third Parties, to whom due notice is assumed to be given pursuant to this Fair Disclosure Code, which is available on its website of the Company and also filed with the Stock Exchanges for dissemination of Information to General Public. Such Insiders and Third Parties are also required to ensure compliance with Regulation 3 of the PIT Regulations.

**4. Procedure in case of leak or suspected leak of UPSI:**

4.1 All information shall be handled within the Organization on an need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the Insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.

Norms for appropriate Chinese Walls procedures & Processes will be as under:-

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered " Inside areas" from those areas which deal with sale / marketing / Investment advise or other departments providing support services, considered "public areas".
- ii. The employees in the Inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. In exceptional circumstances employees from the public area may be brought "over the wall" and given confidential information on the basis of "need-to-know" criteria, under intimation to the Chief Investor Relations Officer.

4.2 In case of leak or suspected leak of the UPSI, the Chief Investor Relations Officer shall be immediately informed in order to take such necessary actions, initiate necessary inquiries and inform the Board promptly of such leak, inquiries and result of such inquiries.

**5. Amendments:**

This Fair Disclosure Code is subject to review by the Board of Directors of the Company as and when deemed necessary. The Board of Directors of the Company may amend the same from time to time depending upon requirement of the provisions of the Companies Act, 2013, the PIT Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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