



HIMACHAL FIBRES LIMITED

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['The Company'] (Effective from April 1, 2019)

Code of practices and procedures for fair disclosure of UPSI

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

A. INTRODUCTION

Securities Exchange Board of India (SEBI) vide its notification dated January 15, 2015 had issued SEBI (Prohibition of Insider Trading) Regulation, 2015 and further amended the same vide its notification dated December 31, 2018 to put in place a framework for prohibition of insider trading in securities and strengthen the legal framework thereof. Clause 8 of the Regulations mandates the board of directors of every Listed Company to formulate a code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI) that it would follow in order to adhere to each of the Principles set out in Schedule A to the Regulations, without diluting the provisions of these regulations in any manner. Accordingly, this Policy has been formulated based on the principles of Fair Disclosure of Unpublished Price Sensitive Information as set out in Schedule A of the Regulations.

B. DEFINITIONS

'Unpublished Price Sensitive Information (UPSI)' means any information, relating to the company or its securities, directly or indirectly, that is not generally available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: -

- ❖ financial results;
- ❖ dividends;
- ❖ change in capital structure;
- ❖ mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- ❖ Change in key managerial personnel;

Other terms not specifically defined here shall have the same meaning as assigned under the said Regulations.

C. PRINCIPLES OF FAIR DISCLOSURE

1. The Company shall ensure prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such

information generally available, i.e. accessible to the public on a non-discriminatory basis.

2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.
4. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
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 disclosures made.
8. The Company shall ensure the handling of all UPSI on a need-to-know basis.

D. DETERMINATION OF LEGITIMATE PURPOSE

The term “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 these SEBI (Prohibition of Insider Trading) Regulations, 2015 or any amendments thereto. Any person in receipt of UPSI pursuant to a “Legitimate Purpose” 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 the said Regulations.

E. AMENDMENTS

Any statutory amendment in SEBI (Prohibition of Insider Trading) Regulations, 2015/ other applicable Regulations, if any, shall be deemed to be included in the Code and the participants shall be governed by it. Pursuant to such amendment, the Compliance Officer may carry out the necessary changes to this Code, as may be required.