

## **CHANDNI MACHINES LIMITED**

### **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended]

#### **PREAMBLE**

In terms of the SEBI (Prohibition of Insider Training) Regulations, 2015, Chandni Machines Limited ("**the Company**") had formulated and published on its official website, a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Code of Fair Disclosure**").

The said Code of Fair Disclosure is required to be amended pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("**the Regulations**"). Accordingly, in supersession of the previous Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) the Board of Directors of the Company has formulated a specific Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Code of Fair Disclosure**") in accordance with the requirements of the said amended Regulations.

This document embodies the said Code of Fair Disclosure and shall be deemed to have come in force from 1<sup>st</sup> April, 2019.

#### **OBJECTIVE**

The said Code intends to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities. So as to ensure fair disclosure of events and occurrences that could impact price discovery in the market, the Board of Directors of the company shall adhere to the following Code of Fair Disclosure envisaged in Schedule – A of SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### **DEFINITIONS**

For the purpose of this Code the following terms shall have the meanings assigned to them hereunder:

- i. "**Code**" or "**this Code**" shall mean this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

- ii. **“Insider Trading regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- iii. **“Unpublished Price Sensitive Information”** or **“UPSI”** means any information, relating to a company or its securities, directly or indirectly, that is not generally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 of the company and shall, ordinarily including but not restricted to, information relating to the following:-
- (a) Financial results;
  - (b) Dividends;
  - (c) Change in capital structure;
  - (d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
  - (e) Changes in key managerial personnel.

#### **CODE OF FAIR DISCLOSURE**

The Code of Fair Disclosure is consistent with the said SEBI Regulations. The company would adhere to following practices and procedures for fair disclosures in respect of unpublished price sensitive information relating to the company and/or its securities:

- To make prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being, in order to make such information generally available.
- To make disclosures of uniform and universal dissemination of UPSI to avoid selective disclosures.
- The Company Secretary/ Compliance Officer of the Company shall act as a Chief Investor Relations Officer to deal with the dissemination of information and disclosures of UPSI.
- To make prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally viable.
- To provide appropriate and fair response to queries on news reports and requests for verification market rumors by regulatory authorities.

- To ensure that information shared with analysts and research personnel, if any, is not UPSI.
- To develop and follow 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.
- To handle all UPSI on a need to know basis.

### **Policy for determination of “Legitimate Purpose”**

- Legitimate Purposes shall mean 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 prohibition of these regulations.
- Any person in receipt of the UPSI pursuant to a “Legitimate Purpose” shall be considered as “Insider” for purpose of these regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.
- UPSI shall be provided only when needed for legitimate purposes, performance of duties or discharge of legal obligations. All insiders shall adhere to the conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.
- A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The Board of Directors may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of UPSI and may delegate to any Director(s)/ Company Secretary, the authority to amend or modify this Code, in whole or in part, subject to approval of the Board.

This Code shall be published on the official website of the Company.

Subsequent modification(s)/ amendment(s) to Insider Trading regulations and any amendment thereto shall automatically apply to this Code.