

# CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Sub-regulation (1) of Regulation 8, of SEBI (Prohibition of Insider Trading) Regulations, 2015)

## **Background:**

In terms of Regulation 8 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the Regulations), the Board of Directors of Hariom Pipe Industries Limited (the Company) formulated and published/will publish this Code on its website <a href="https://www.hariompipes.com/">https://www.hariompipes.com/</a> Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the Code of Fair Disclosure) to be followed by the Company and its Officers in order to adhere to each of the principles as set in Schedule A to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

This Code of Fair Disclosure and every amendment thereto shall be promptly intimated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) where the Equity Shares of the Company are listed.

Further in terms of Regulation 3(2A) of the Regulations the Board of Directors of a listed Company shall make a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8. In order to reflect the amendments notified by SEBI vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ('Amended Regulations') dated 31.12.2018, this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the Code) is being amended to bring in line with the amended Regulations with effect from 01 April, 2019.

## **Objective:**

The Company endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent the misuse of such information. Accordingly, this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information has been formulated with a view to maintain uniformity, transparency and fairness in dealing with all stakeholders and to ensure timely, fair and adequate disclosure of unpublished price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

#### **Definitions:**

"Unpublished Price Sensitive Information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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.

"Generally available information" means information that is accessible to the public on a non-discriminatory basis.

"Legitimate Purpose" shall include sharing of unpublished price sensitive information 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 regulations.

"Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

"Insider" means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

Explanation: Any person in recipient of UPSI pursuant to a "Legitimate Purpose" (as defined above) shall also be considered as a "insider" for the purpose of this Code and such person shall maintain confidentiality of such UPSI in compliance with this code.

#### > Criteria for Determination of Legitimate Purposes for sharing of UPSI:

The sharing of UPSI shall be considered as for legitimate purposes, if it 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, this code or the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Their Immediate Relatives.

#### > The Code of Fair Disclosure:

1. The Company shall strive to promptly disclose 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. The disclosure shall be either through intimations to BSE and NSE; displaying on the Company's website <a href="https://www.hariompipes.com/">https://www.hariompipes.com/</a> or by way of press release, as may be deemed appropriate by the Company.

- 2. The Company shall not respond to any speculative news reports, speculative investors'/shareholders' queries, unless required to do so by the Stock Exchanges on which the Equity Shares of the Company are listed.
- 3. Since the Regulations define Unpublished Price Sensitive Information to mean any information relating to a company or its securities, the Company shall not provide any shareholding patterns, shareholding information of the Company to any investor/ shareholder unless the same is required to be maintained/ provided under any regulatory/ listing requirements.
- 4. The Company shall strive to follow uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure. Any such dissemination of unpublished price sensitive information to the Stock Exchange(s) where the securities of the Company are listed and publication of the same on the Company's website <a href="https://www.hariompipes.com/">https://www.hariompipes.com/</a> shall be considered as due compliance under this Code.
- 5. All information on material events as described in Regulation 30 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended, or price sensitive information shall be disclosed to the Stock Exchange promptly. Any such disclosures to the stock exchanges shall be made preferably, either before the trading hours or after the trading hours in order to prevent volatility in Company's share price during the trading hours. However, information which is required to be furnished to the Stock Exchanges within specified time, will be furnished accordingly.
- 6. The Company Secretary shall act as Chief Investor Relations Officer of the Company to deal with dissemination of information and disclosure of unpublished price sensitive information. In his absence or in addition to him, the Chairman may designate such other officer as may be deemed fit to perform the role of Chief Investor Relations Officer.
- 7. In the event of any unpublished price sensitive information gets disclosed selectively either inadvertently or otherwise, the Company shall ensure prompt dissemination of such information to be generally available to all stakeholders, by publishing the same on Company's website https://www.hariompipes.com/ or intimating the same to the Stock Exchanges.
- 8. (a) The Company shall respond promptly and appropriately to the queries on news reports and requests for verification of market rumours by regulatory authorities, Stock Exchanges.
  - (b) Subject to its disclosure obligations, the Company shall not generally comment on rumors or market speculation.

- (c) On receipt of a request from Stock Exchange seeking verification of market rumors and/ or other reports about the Company, the Company Secretary shall immediately seek the factual status from the concerned Division/ Department. On receipt of the information and adequate to reply to the Stock Exchanges and after discussion with the Senior Management, the Company Secretary shall intimate the same to the Stock Exchange accordingly.
- 9. a) The Company and its Officers shall, at all times, ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
  - b) Where requested to do so, the Company may review analysts' research reports but will confine its comments to factual matters and material previously disclosed by it. Information such as earnings forecasts, growth rates will not be provided unless the Management of the Company has firm reasons to provide the same.
- 10. The Company shall strive to ensure that the transcript or record of proceedings of meetings, telephonic conversations with analysts and teleconference calls/video conference calls with investors/Analysts are published on the website of the company <a href="https://www.hariompipes.com/">https://www.hariompipes.com/</a> to ensure official confirmation and documentation of disclosures made as soon as possible.

The Company recognizes the importance of the relationship with the investors and analysts. From time to time, the Company may conduct analyst and investor briefings. In these cases the following protocols will apply:

- i. No information of the kind outlined above will be disclosed at these briefings unless it has been previously or is simultaneously released to the market to be generally available.
- ii. If material information of the kind outlined above is inadvertently released it will immediately be released to stock Exchanges and published on the Company's website.
- iii. Questions at briefings that deal with material information not previously disclosed will not be answered.
- iv. In order to avoid misquoting or misrepresentation, it is desirable that at least two Company's representatives shall be present at meetings with Analysts, brokers or Institutional Investors and discussions should preferably be recorded.
- v. The Company shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions

may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

11. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations and further no person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

## ➤ Maintenance for the structured digital Database:

The structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this code or Regulation along with the Permanent Account Number or any other identifier authorized 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 databases shall be maintained with utmost confidentiality and the access to such database shall be restricted only for purpose of implementation fair practices under this code.

#### Dissemination

This Code, including any amendment thereto, shall be published on the Company's official website and shall be promptly intimated to the stock exchanges where the securities are listed. The Board of Directors may lay down further principles, rules and procedures, from time to time, to ensure fair disclosure of unpublished price sensitive information.

Note: Terms not defined under this Code shall have meaning as defined in the Regulations.

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