Himadri Speciality Chemical Ltd

CIN: L27106WB1987PLC042756

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information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]

Version	Revision Date	Approved By	Date Approved
Adopted on	15 May 2015	Board	12 February 2015
V1	01 April 2019	Board	29 March 2019
V2	10 February 2023	Board	10 February 2023
V3	16 October 2024	Board	16 October 2024
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1. Introduction:

1.1 Pursuant to regulation 8 read with Schedule A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), Himadri Speciality Chemical Ltd ("**Himadri/Company**") is required to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Fair Disclosure Code/Code**").

1.2 Accordingly the Board of Directors of Himadri ("Board") has formulated this Fair Disclosure Code.

2. Scope:

Pursuant to the provisions of regulation 8 of PIT Regulations, the Board of Directors of every company, whose securities are listed on a stock exchange are required to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities. Principles such as, equality of access to information, publication of policies such as those on dividend, inorganic growth pursuits, calls and meetings with analysts, publication of transcripts of such calls and meetings, and the like are set out in the Schedule-A of the PIT Regulations.

This Code ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.

Himadri is committed to timely and accurate disclosure based on applicable legal and regulatory requirements.

The Fair Disclosure Code is subject to review by the Board of Directors as and when deemed necessary.

3. Terms and definitions:

I. "Applicable law" shall mean Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

II. "Board of directors/ Board" means the Board of Himadri Speciality Chemical Ltd.

III. "Chief Investor Relation Officer ("CIRO") shall mean the Company Secretary or any other senior officer of the Company as authorized by the Board who is responsible to deal with the dissemination of the information and the disclosure of UPSI.

IV. "Connected person" means:

A. any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access .

B. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

a. a relative of connected persons specified in clause (i); or

b. a holding company or associate company or subsidiary company; or

c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or

d. an investment company, trustee company, asset management company or an employee or director thereof; or

e. an official of a stock exchange or of clearing house or corporation; or

f. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or

g. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or

h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

i. a *banker* of the company; or

j. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten per cent. of the holding or interest; or

k. a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or

l. a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);

V. "Generally available information" means information that is accessible to the public on a non-discriminatory basis and shall not include unverified events or information reported in print or electronic media.

VI. "Immediate relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

VII. "Insider" means any person who is:
   A. a connected person; or
   B. in possession of or having access to UPSI

VIII. "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 PIT Regulations.

IX. "Rumours" shall mean such information, not based on official Stakeholder Communication issued by or on the authority of the Company, about some impending event or development pertaining to the Company, whether emanating from within the Company or not, which, had it been verified as true or ripe for disclosure, would constitute a material event or information or is likely to have caused a Material Price Movement

Rumour shall exclude each of the following:

A. Any matter, news or comments on matters of general relevance, whether pertaining to the business, products, services or sectors in which the Company has its interests, or not, not directly related to any event or development pertaining to the Company;
B. Some person's interpretation or analysis of, or views on official Stakeholder Communication;
C. Any comparison or analysis of Company with that of any of its peers, other companies or entities;
D. A pure conjecture, speculation of imprecise or incoherent nature, or a generic statement

which any reasonable person would not have related with or referring to any material event or development. For example: “something is happening in the Company” “some big news is coming” - these conjectures are unlikely to make a reader relate to any particular material event or development

X. “Relative” shall mean the following:
(i) spouse of the person;
(ii) parent of the person and parent of its spouse;
(iii) sibling of the person and sibling of its spouse;
(iv) child of the person and child of its spouse;
(v) spouse of the person listed at sub-clause (iii); and
(vi) spouse of the person listed at sub-clause (iv)

XI. “Stakeholder communication” means any communication issued by or on the authority of the Company, including any information filed by the Company with one or more stock exchange(s), or information disseminated by the Company as a part of its quarterly, half yearly or annual financial statement, or any other communications addressed either to a section of stakeholders or to public at large.

XII. “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:

A. financial results;
B. dividends;
C. change in capital structure;
D. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
E. changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
F. change in rating(s), other than ESG rating(s);
G. fund raising proposed to be undertaken;
H. agreements, by whatever name called, which may impact the management or control of the company
I. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
J. resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
K. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
L. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report
M. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
N. outcome of any litigation(s) or dispute(s) which may have an impact on the company;
O. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business

P. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1 - For the purpose of sub-clause (I):

i) 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

ii) 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2 - For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

4. **Principles of fair disclosure for the purposes of this Code:**

1) Prompt public disclosure of unpublished price sensitive information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

The Company shall ensure dissemination of UPSI, that would impact price discovery, in a prompt and timely manner, once a definitive decision has been taken to disclose such information.

i. Disclosure of UPSI shall be in accordance with this Code/Applicable law and other Company procedures, if any, and no sooner than credible and concrete information comes into being, in order to make such information generally available.

ii. Company to take reasonable steps to ensure the accuracy of information before dissemination.

2) Uniform and universal dissemination of UPSI to avoid selective disclosure.

i) UPSI will be disseminated uniformly and universally to all stakeholders through stock exchanges. Additionally, the same shall also be disseminated on the official website of the Company as per Applicable law.

ii) In case any information is disclosed selectively, whether by inadvertence or otherwise, the Company shall take the necessary corrective action, including forthwith informing the stock exchanges, to make the information generally available.

iii) Dissemination of such information shall be done by the CIRO

3) Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of UPSI

4) The Company Secretary has been designated as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.

5) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

6) Provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

7) The Company will provide appropriate and fair response to queries on news reports and requests for verification of market rumors, as required under the Listing Regulations and/or SEBI PIT Regulations.

8) Disclosure of press releases issued by it from time to time which are considered to be important for the general public besides putting the same on the Company's website.

9) Put on the Company's website quarterly and annual financial results and all investor presentations pertaining to such financial results for reference of the general public.

10) Ensuring that information shared with analysts and research personnel is not UPSI.

    a. Only Generally Available Information will be provided to analysts, research personnel and institutional investors. There should not be any UPSI shared with the analysts, research personnel and institutional investors. In case there is any unintentional disclosure of UPSI to analysts, research personnel or institutional investors, the same should be made Generally Available Information at the earliest by intimation of the same to the stock exchanges.

    b. To bring in uniformity of information dispersal, it is desirable that more than one Company representative be present at the meeting with analysts, research personnel and institutional investors; wherever possible.

    c. The CIRO shall ensure that the presentation and the audio-video recordings of post earnings/ quarterly calls shall be submitted to the stock exchanges and on the Company's website promptly and in any case before the next trading day or within twenty-four hours from the conclusion of such calls / interaction, whichever is earlier and the transcript of such calls shall be intimated to the stock exchange and made available on the website within five working days of the conclusion of such calls.

    d. With respect to any other meeting with the analysts, research personnel and institutional investors, the presentation of such meeting shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier.

    e. The Company should be cautious while dealing with analysts, research personnel and institutional investors that raise questions beyond the intended scope of discussions. Unanticipated questions may be taken on record and a careful response may be provided later.

11) If any UPSI is shared in any meeting with analysts, research personnel, institutional investors (whether in a one on one or a group meet), it shall tantamount to 'selective disclosure'. Hence the Company will be required to promptly disclose the information shared selectively.

12) Developing 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.

13) The Company shall make use of appropriate softwares to generate the transcripts of calls / meetings with analysts, research personnel, institutional investors. The transcript of post earnings / quarterly calls shall then be made available on the website within five working days of the conclusion of such calls / meetings.

14) Handling of all UPSI on a need-to-know basis.

i) All information shall be handled within the organisation on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of Legitimate Purposes (as determined in the Policy for Determination of Legitimate Purposes which is attached as Annexure A), performance of duties or discharge of legal obligations.

ii) The Board shall have mechanisms in place to ensure that no UPSI is shared prior to the execution of the non-disclosure/ confidentiality agreements with the recipient of the UPSI.

iii) If, in case, entering into non-disclosure/ confidentiality agreements is not feasible, the Board shall ensure that the notice of confidentiality shall be served upon the recipient.

5. **Maintenance of digital database**

The Board of directors shall ensure that a structured digital database is maintained containing the names of such persons who have shared the information and also the names of such person with whom information is shared under this Policy or entities as the case may be with whom information is shared under the PIT Regulations along with the Permanent Account Number ('PAN') or any other identifier authorized by the law where PAN is not available. Such database shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tempering of the database.

Provided that entry of information, not emanating from within the organisation, in structured digital database may be done not later than 2 calendar days from the receipt of such information

6. **Enforcement**

In case of any violation of this Code, i.e. sharing of UPSI in violation of this Code and the Applicable law by any person handling UPSI (including the immediate relatives thereof), penal action may be taken against such person by the Company.

Additionally, such persons may also be subjected to disciplinary action including termination of employment, suspension, wage freeze, non-participation in future employee stock options or any other appropriate action as may be decided by the Audit Committee.

Any action taken by the Company for violation of this Code shall not preclude SEBI from initiating any action for violation of the Applicable law.

The Board shall also promptly inform the stock exchanges about the violation in such form and such manner as may be specified by SEBI from time to time

7. **Limitation, review and amendment**

In the event of any conflict between the provisions of the Code with the Applicable law, the provisions of the Applicable law shall prevail over this Code. Any subsequent amendment / modification to the Applicable law shall automatically apply to this Code. Every amendment to this Code shall be promptly intimated to the stock exchanges.

The Board of Directors pursuant to Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. 1 April, 2019 has made a policy for determination of "legitimate" purposes" as a part of the "Code of Fair Disclosure and Conduct" formulated under Regulation 8 and the same is enclosed as Annexure "A" hereto.

Annexure "A"

Policy for Determination of Legitimate Purposes

Introduction

This "Policy for determination of Legitimate Purpose" ("Policy") is framed in compliance with the provisions of regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), and amendments thereto and forms a part of the Company's Code of Practices and Procedures for Fair Disclosure of UPSI. This Policy has been adopted to determine "Legitimate Purposes" for sharing UPSI.

1. Communication or procurement of Unpublished Price Sensitive Information (UPSI)

No insider shall communicate, provide, or allow access to any UPSI, relating to the Company or its' securities which are 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.

Explanation: This provision is intended to cast an obligation on all insiders.

2. Purposes of Communication of UPSI

No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or its' securities listed or proposed to be listed, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

Explanation: This provision is intended to impose a prohibition on unlawfully procuring possession of unpublished price sensitive information.

3. "Legitimate Purposes" – defined

What constitute a legitimate purpose for possessing of UPSI has been defined in Explanation to Regulation 3(2A) of the PIT Regulations and the same has been reproduced hereunder:-

*The term **"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 PIT Regulations.*

4. Recipient of UPSI for "Legitimate Purposes" shall be considered as an insider

Any person who is in receipt of UPSI pursuant to a Legitimate Purpose shall be considered as an insider for the purposes of the PIT Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the PIT Regulations.

Further, such persons to whom UPSI has been provided must be sensitized about the PIT Regulations, PIT Code along with this Policy and confidentiality so as to avoid any leakage.

5. Sharing of UPSI in the best interest of the Company

Notwithstanding anything contained in the PIT Regulations, UPSI may be communicated, provided, allowed to access to or procured, in connection with a transaction that would :-

(i) entail an obligation to make an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulations')

where the Board of directors of the Company is of opinion that sharing of such information is in the best interest of the Company;

Explanation*: It is intended to acknowledge the necessity of communicating, providing, allowing, access to or procuring of UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to access a potential investment.*

In an open offer under the Takeover Regulations not only would the same price be made available to all shareholders of the Company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under the Takeover Regulations.

(ii) not attract the obligation to make an open offer under the Takeover Regulations but where the Board of directors of the Company is of informed opinion that sharing of such information is in the best interest of the Company and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of directors may determine to be adequate and fair to cover all relevant material facts.

Explanation*: It is intended to permit communicating, providing, allowing access to or procuring of UPSI also in transactions that do not entail an open offer obligation under the Takeover Regulations when authorized by the board of directors, if sharing of such information is in the best interest of the Company. The board of directors, however, would cause public disclosures of such unpublished price sensitive information well before the proposed transaction to rule out any information asymmetry in the market.*

6. Agreement of confidentiality for non-disclosure of UPSI

In case the Board of directors considers that sharing UPSI is in the best interest of the Company, it shall require the parties to execute agreements or contracts of confidentiality and non-disclosure obligation on part of such parties and such parties shall keep information so received confidential, except if used for the purpose of legitimate objectives and shall not otherwise trade in securities of the Company when in possession of UPSI.

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