



## CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CONDUCT

### INTRODUCTION

The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) on January 15, 2015. Pursuant to Regulation 8 of the Regulations, Elgi Equipments Limited has formulated this code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Fair Disclosure Code”) which came into effect from October 30, 2015. Pursuant to the amendments to the Regulations, the Company has made certain amendments to the Fair Disclosure Code. The amended Fair Disclosure Code shall come into force from May 19, 2023.

### OBJECTIVE

The Company endeavors to preserve the confidentiality of unpublished price sensitive information (“UPSI”) and to prevent its misuse. To achieve these objectives, and in compliance with the aforesaid Regulations, the Company has adopted this Fair Disclosure Code. This Code ensures timely and adequate disclosure of UPSI and to maintain uniformity, transparency and fairness in dealing with all its stakeholders. This Code has been formulated to ensure prompt, timely and adequate disclosure of UPSI.

### 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**“Unpublished Price Sensitive Information” (UPSI)** - means any information, relating to the Company or its Securities, directly or indirectly, that is not generally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 include but not restricted to, information relating to the following: -

- a) Financial results.
- b) Dividends.
- c) Change in capital structure.
- d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions.
- e) Changes in Key Managerial Personnel.

Words and expressions used and not defined in this Code but defined in the ‘Code of Conduct for Prevention of Insider Trading in Securities of Elgi Equipments Limited’ or SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.



## **PRINCIPLES OF FAIR DISCLOSURE**

The Company shall ensure that:

- a) 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.
- b) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- c) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- d) Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- e) Information shared with analysts and research personnel is not UPSI.
- f) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- g) Handling of all UPSI on a need-to-know basis.

## **CHIEF INVESTOR RELATIONS OFFICER AND COMPLIANCE OFFICER**

The Chief Financial Officer/ Chief Investor Relations Officer (CIRO) and the Company Secretary/ Compliance Officer (CO) of the Company will deal with the dissemination of information and disclosure of UPSI. The CIRO and CO is responsible for dissemination of information and disclosure of UPSI. The CO is also responsible for ensuring compliance under this code, overseeing and coordinating disclosure of UPSI to the stock exchanges, shareholders, analysts and media and for educating the Company's employees on disclosure policies and procedure.

All UPSI is to be handled on "need to know basis", i.e., UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the CIRO/CO. Other than information which is price sensitive in accordance with the SEBI Insider Trading Regulations or any other applicable law for the time being in force, the CIRO/CO in consultation with the Managing Director shall decide whether an information is price sensitive or not. All information disclosure/dissemination may normally be approved in advance by the CIRO/CO. In case information is accidentally disclosed without prior approval of CIRO/CO, the person responsible shall immediately inform the CIRO/CO. The key managerial personnel of the Company shall ensure that no UPSI is disclosed selectively to any one or group of research analysts or investors to the disadvantage of other stakeholders. Any queries or requests for verification of market rumor(s) by the Regulatory Authorities shall be forwarded to the CIRO/CO, who shall decide on the clarification to be provided.



## **DISCLOSURES TO ANALYSTS/MEDIA AND RESEARCH PERSONNEL**

The Company will provide only public information to the analyst/media and research personnel. Whenever meetings or con calls are organized, the Company will intimate the stock exchanges and host the details of the same in the Company's website. All UPSI shall be first communicated to the stock exchanges before the same is shared with Analysts/Media and Research personnel. Transcript of the con calls with Analysts and recordings of the meetings, as applicable will be furnished to the stock exchanges and also hosted on the Company's website.

## **RESPONDING TO MARKET RUMORS**

The CIRO/CO shall promptly respond to any queries for verification of market rumors by the stock exchanges. The CIRO and/or CO and /or any other official(s) authorised by the Board of Directors of the Company shall give an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities. They shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and making disclosures.

## **POLICY FOR SHARING OF UPSI FOR LEGITIMATE PURPOSE**

"Legitimate purpose" includes sharing of UPSI in the course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI Insider Trading Regulations. The UPSI should be shared where such communication is in furtherance of performance of duty(ies) and for discharge of legal obligation(s). It will be for any other genuine or reasonable purpose as may be determined by the CIRO/CO of the Company.

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "Insider" for purposes of this Code and due notice shall be given to such persons to make aware such person that the information shared is or would be UPSI and requiring them to maintain confidentiality of the UPSI in compliance with the Code and the SEBI PIT Regulations.

A structured digital database of such persons or entities as the case may be with whom information is shared under the SEBI Insider Trading Regulations, which shall contain the Name of such recipient of UPSI, Name of the Organisation or entity to whom the recipient represents, Postal Address and E-mail ID of such recipient and the Permanent Account Number (PAN) or any other identifier authorised by law, if PAN is not available, shall be maintained. The database shall be maintained with adequate internal controls and checks, such as time stamping and audit trails to ensure non-tampering of such database is done.



## **AMENDMENTS**

The Audit Committee/Board reserves its right to amend or modify the Code in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the concerned unless the same is notified in writing. In case of any amendments(s), clarification(s), circulars(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this code, then such amendment(s), clarification(s), circulars(s) etc. shall prevail upon the provisions hereunder and this code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s) etc.