



Prakash Industries Limited

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Corporate Identity Number (CIN) – L27109HR1980PLC010724

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Introduction:

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and SEBI Circular dated 11-05-2015, Prakash Industries Limited ('the Company') is required to formulate a Code of Fair Disclosure, Code of Conduct, Code of Internal Procedures for Regulating, Monitoring and Reporting of trading by Insiders for prevention of insider trading by Promoters / Directors / Designated Employees / Connected Person of the Company, in relation to the securities of the Company.

Accordingly, the Board of Directors ("the Board") of the Company has adopted and formulated Codes, in compliance with the applicable regulations of the SEBI and the Listing Agreement and also to upload those codes on

2. Definitions :

- A) **"Compliance Officer"** means the Company Secretary of the Company for the purpose of administration of the insider trading policy.
- B) **"Connected Persons"** means:
 - i) any person who is or has during the **six months prior** to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Promoter, director, designated officer or an designated employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall also be deemed to be connected persons unless the contrary is established :

- a) an immediate relative and dependent of connected persons specified in clause (i); or
- b) an intermediary as specified in Section 12 of the SEBI Act ('the Act) or an employee or director thereof; or
- c) an investment Company, trustee Company, asset management Company or an employee or director thereof; or
- d) an official of a stock exchange or of clearing house or corporation; or
- e) 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
- f) 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
- g) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- h) banker of the Company; or
- i) a concern, firm, trust, Hindu Undivided Family, Company or association of persons wherein a Director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

C) **"Designated Officer/Employees"** shall cover the following:

- i) Such other employees as may be specified and determined from time to time by the Compliance Officer and/or Chief Financial Officer and/or Chairman and Managing Director.

D) **"Director"** means a member of the Board of Directors of the Company.

E) **"Generally Available Information"** means information that is accessible to the Public on a non-discriminatory basis.

F) **"Immediate Relative"** means a spouse of a insider and includes parent, sibling, and child of such insider or of the spouse, any of whom is either dependent financially on such insider, or consults such insider in taking decisions relating to trading in securities

G) **"Insider"** means any person who is:

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

H) **"Key Managerial Personnel"** means person as defined in Section 2(51) of the Companies Act, 2013.

- I) **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- J) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof, except units of a mutual fund.
- K) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities include trading in derivatives of securities, and "trade" shall be construed accordingly;
- L) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- M) **"Unpublished Price Sensitive Information (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 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; and
 - vi) material events in accordance with the listing agreement.

3. Principles for fair disclosure of UPSI

The Company, Board Members and employees shall observe the following principles for fair disclosure of UPSI:

- i) 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.
- ii) uniform and universal dissemination of UPSI to avoid selective disclosure.
- iii) designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of UPSI.
- iv) prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
- v) appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

- vi) ensuring that information shared with analysts and research personnel is not UPSI.
- vii) developing best practices to make available 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.

4. Requirements of UPSI

- A) Board Members and/or Employees must not use or disclose any confidential information/UPSI in their possession save in the proper course of their duties or with the necessary prior approval or authorisation.
- B) In particular, any dealing in securities of the Company whilst in possession of UPSI shall be considered a material breach of this Code and is absolutely prohibited.
- C) The requirements set out below must be fulfilled while in possession of UPSI:
 - i) No employee should deal, encourage, counsel or procure another person to deal, in Listed Securities of the Company whilst in possession of UPSI or disclose such information to another person who may make use of such information for the purpose of dealing in such securities, in circumstances which constitute "insider trading" under the applicable laws or regulations.
 - ii) An employee will be regarded as having engaged in "trading" in the Company Securities if he/she sells, purchases, exchanges, subscribes for or underwrites the relevant listed securities, whether as principal or agent, makes or offers to make an agreement with another person, or induces or attempts to induce another person to do the same. The term "securities" is broadly defined to include shares, debentures, bonds, notes, derivatives, options, rights, interests, certificates of interest or participation in certificates, or property whether in the form of an instrument or otherwise.
 - iii) All persons to whom this code is applicable should take into account all the circumstances in determining whether a piece of information may be UPSI. In case of any doubt, a prudent approach should be taken and the information should be treated as UPSI and should refrain from any activities which may constitute insider trading.
 - iv) Violation of the applicable laws may result in personal, civil or criminal sanctions including fines or imprisonment. All persons to whom this code is applicable must therefore conduct themselves in compliance with all applicable insider trading (or its equivalent) laws, rules, codes and regulations.
 - v) Officers of the Company are obliged to take all reasonable measures from time to time to ensure that proper safeguards exist to prevent the Company from breaching its disclosure obligation.
 - vi) While all matters of a material nature would generally be escalated to the Board of Directors, the officers and senior management of each business division should remain vigilant at all times for matters that are or may fall within the definition of UPSI, and ensure that such matters are promptly identified and reported to the Secretarial Department for disclosure consideration.
 - vii) Preventing UPSI from leakage is the key to preventing insider trading and assisting the Company with compliance of its obligation under the applicable laws and regulations.

Should an employee become aware of any leaks or inadvertent disclosure of any UPSI, the Legal/Secretarial Department should be consulted immediately.

- viii) Dissemination of information should be absolutely limited to the stated purpose and only to the core members who are responsible for or involved with the matter and to professional advisers who advise on the matter and owe the Company a duty of confidentiality;
- ix) A clear record documenting the distribution of the information including the identity of the recipients and the time of dispatch should be kept. Appropriate notes and records should be kept for meetings concerning the assessment of whether certain information constitute UPSI;
- x) All persons to whom the code is applicable should be wary of any possible disclosure of UPSI when meeting with fund managers, securities analysts and the press. Any material which may contain potential UPSI should be vetted by the Legal/Secretarial Department prior to the release at the analysts' or press meetings.
Briefings and discussions at such meetings should be properly recorded. Shall there be any UPSI which has been inadvertently disclosed at any meeting, the Legal/Secretarial Department should be consulted immediately;
- xi) Employees should be alert and vigilant with respect to any insider trading committed or suspected to have been committed within the office or in relation to any securities of the Company and should report, on a confidential basis, to the Chairman, Managing Director and the Company Secretary if they should become aware of any such insider trading or suspected insider trading.

5. Review

This Code has been framed/adopted by Prakash Industries Ltd (hereinafter referred to as "the Company") in compliance with the provisions of requirements under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In case of any subsequent changes in the said regulations or any other regulations which makes any of the provisions in this code inconsistent with the regulations, the provisions of the regulations would prevail over the code and the provisions in the code would be modified in due course to make it consistent with law.

This code shall be reviewed by the Board of Directors as and when any changes are to be incorporated to change in regulations or as may be felt appropriate by the Board.

6. Dissemination

This Code and any amendment thereto shall be promptly hosted on the Company's website at www.prakash.com.

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