

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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED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

(Effective from 1st April, 2019)

RAMKRISHNA FORGINGS LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

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Part A

Introduction & Definitions

Introduction

Trading in the shares /securities of the Company by persons who enjoy special status when compared with the general investor on the basis of unpublished price sensitive information and who as a result thereof are liable to use their special status for individual benefit, is commonly known as “insider trading”.

Objectives and Scope of the Code

The Company endeavors to preserve the confidentiality of unpublished price sensitive information and prevent misuse of such information to create information asymmetry to benefit the insiders to abuse the market while trading in securities of the Company. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

The Company therefore intends to formulate and publish a framework and policy to ensure timely and adequate disclosure of all events and occurrences that could impact price discovery in the market for its securities.

To achieve these objectives, the Company hereby notifies a code of practices and procedures for fair disclosure of unpublished price sensitive information towards achieving compliance with the Regulations (hereinafter referred to as the “**Code of Fair Disclosures**”).

Definitions

‘Act’ means the Securities and Exchange Board of India Act, 1992 as amended, modified or substituted from time to time.

‘Company’ means Ramkrishna Forgings Limited.

‘Director’ means a director appointed to the board of directors of the Company.

‘Generally Available Information’ means information that is accessible to the public on a non-discriminatory basis and includes but is not limited to information published on the website of a stock exchange.

‘Key Managerial Personnel’ shall have the meaning assigned to it under the Companies Act, 2013 as amended from time to time.

‘Promoter’ shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

‘Regulations’ means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, modified or substituted from time to time.

'SEBI' means the Securities and Exchange Board of India.

'Securities' shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof, except units of a mutual fund.

'Subsidiary' shall have the meaning assigned to it under the Companies Act, 2013.

'Trading' means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities of the Company and "Trade" shall be construed accordingly.

'Trading Day' means a day on which the recognized stock exchanges are open for trading

'Unpublished Price Sensitive Information' or **'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 of the Company 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;
- vi. Any such other information which may affect the price of securities

Words and phrases not specifically defined herein shall have the same meaning as defined under the Act, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the Regulations as amended from time to time.

Part B

Fair Disclosure of UPSI – Principles and Exemptions

1. Treatment/Disclosure of UPSI – Guiding Principles

1.1 The Company shall ensure that UPSI – as and when generated within the Company shall be disseminated / publicly disclosed on a continuous and immediate basis. Towards this objective, the Company shall ensure adherence to the following principles :

- (a)** the Company shall ensure prompt and adequate public disclosure of UPSI that would impact price discovery as soon as credible and concrete information comes into being, in order to make such UPSI Generally Available Information; and

- (b) the Company shall ensure uniform and universal dissemination of UPSI to avoid selective disclosure; and
- (c) the Company shall ensure that all UPSI is handled on a need to know basis; and
- (d) the Company shall make all reasonable endeavours to avoid speculative disclosures or selective disclosures that could have an adverse impact on the market and the price discovery process.

2. Exemptions – When UPSI may be disclosed

2.1 The Company may communicate, provide or allow access to UPSI only in the following situations :

- (a) UPSI may be communicated to a person (including insiders), if such communication is in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations; and the Policy of Legitimate purpose has been framed by the Company and forms part of “Codes of Fair Disclosures and Conduct”.

Principles for determination of Legitimate Purposes:

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 Regulations.

The purposes involving sharing of UPSI which shall be deemed to be legitimate, shall include, but not restricted to the following:

- Sharing of relevant UPSI in conformity with the statutes applicable to the Company;
- Sharing of relevant UPSI in conformity to the business of the Company/ is in the ordinary course of business of the Company;
- If it is undertaken by any person to fulfil the obligation of his/ her role with respect to the Company;
- Sharing of relevant UPSI for facilitating conduct of due diligence for undertaking any transaction in the ordinary course of business;
- Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations.

- (b) UPSI may be communicated or provided or allowed access to in connection with a transaction which entails:
- (i) an obligation to make an open offer under the takeover regulations where the board of Directors of the Listed Company is of the informed opinion that sharing of such information the proposed transaction is in the best interests of the Company; or
 - (ii) not attracting the obligation to make an open offer under the takeover regulations, but where the board of Directors of the listed Company is of the informed opinion that sharing of such information is in the best interests of the Company and the information that constitutes UPSI is disseminated to be made generally available at least 2(two) Trading Days prior to the proposed transaction being effected in such form as the board of Directors may determine.

However, in case of (b) above, the board of Directors shall require the parties to execute agreements with confidentiality and non-disclosure obligations on such parties and such parties shall keep information so received confidential except for the limited purpose, and shall not otherwise Trade in Securities of the Company when in possession of UPSI.

Part C

Oversight – Appointment and Duties of Chief Investor Relations Officer

3. Co-ordination of Disclosures

3.1 Appointment of Chief Investor Relations Officer

The Compliance Officer of the Company shall act as a chief investor relations officer to deal with dissemination of information and disclosure of UPSI.

3.2 Duties and Responsibilities of the Chief Investor Relations Officer

The chief investor relations officer shall *inter alia* be responsible for the following duties:

- (a) to oversee and co-ordinate disclosure of UPSI to stock exchanges, analysts, shareholders and media and educate Company staff on disclosure policies and procedure;
- (b) to approve in advance any disclosure /dissemination of information, including UPSI, by the Company and/or its officials; and
- (c) in case UPSI has been inadvertently disclosed without prior approval or has been selectively disclosed, and such disclosure comes to the knowledge of the chief investor relations officer, the chief investor relations officer shall take immediate steps to ensure prompt public disclosure and dissemination of such UPSI to make the same Generally Available Information; and

- (d) such other functions and duties as may be specified elsewhere in this Code of Fair Disclosures or the board of Directors of the Company may specify from time to time.

Part D

Response to Market Rumours & Conduct of Investor / Analyst Meetings

4. Responding to Market Rumours / News Reports

- 4.1 In the event that the Company is requested by regulatory authorities or other competent authorities (such as stock exchanges) to respond to queries on news reports and/ or to verify market rumours, the Company shall follow the below mentioned procedure:
- (a) the chief investor relations officer shall promptly seek and obtain all relevant information from the concerned functional head/department in the Company so as to be able to formulate a firm response to such query(ies); and
 - (b) On receipt of the necessary information, the chief investor relations officer shall decide whether a public disclosure is necessary for responding to the query or for verifying or denying the market rumours and shall then make the public disclosure (if deemed necessary); and
 - (c) even if public disclosure is deemed not necessary, the chief investor relations officer shall ensure that the Company provides an appropriate and fair response to such queries on news reports or requests for verification of market rumours, to the concerned regulatory authority.

5. Disclosures to Analysts / Institutional Investors

- 5.1 The Company shall follow the following guidelines / principles while dealing with third parties such as analysts, institutional investors, research personnel, brokers etc. ("**Specified Persons**"):
- (a) As a rule, only Generally Available Information should be disclosed to the Specified Persons. In the event that UPSI has to be disclosed to such Specified Persons, such UPSI should be simultaneously made public at the earliest.
 - (b) In order to avoid misquoting or misrepresentation, the Company shall try to ensure that at least 2 (two) Company representatives be present at meetings or calls with such Specified Persons.
 - (c) Unanticipated questions or questions that raise issues outside the intended scope of discussion at such meetings/calls may be taken on notice and a considered response to the same may be given later. If the answer includes UPSI, a public announcement should be made before responding so as to make such UPSI Generally Available Information.

- (d) The Company may make available transcripts or records of proceedings of meetings/calls for the quarterly/annual results with such Specified Persons and/or other investor relations conferences on its official website to ensure official confirmation and documentation of disclosures made and may, at its option, also make a press release after such meeting/call. The Company may also consider live webcasting of such meetings with the Specified Persons.

Part E

Mandatory Continual Disclosures

6. Mandatory Disclosure to Stock Exchanges

- 6.1 The Company shall notify to the stock exchanges (on which its Securities are listed) relevant particulars of Trading in Securities by the Promoters, Directors or employees of the Company, if the value of the Securities Traded (whether in one transaction or a series of transactions) over any calendar quarter aggregates to a traded value in excess of INR (Indian Rupees) 10,00,000/- (ten lakhs) or such other value as may be prescribed by SEBI from time to time.
- 6.2 The aforesaid disclosure shall be made by the Company to the stock exchanges (on which its Securities are listed) within 2 (two) Trading Days of receipt of the relevant disclosure from the Promoters, Directors or employees (as the case may be) or from becoming aware of information in relation to such Trading.
- 6.3 Disclosure of incremental transactions after any disclosure (under this paragraph 6 above) shall be made by the Company to the stock exchanges when the transactions effected after the prior disclosure cross the aforesaid specified threshold.

Part F

Dissemination of UPSI

7. Medium of Disclosure of UPSI

- 7.1 Disclosure / dissemination of UPSI may be done through various media so as to achieve maximum reach and quick dissemination. This may include the following :
- (a) Public disclosure of UPSI shall be made by the Company to stock exchanges. This shall include the mandatory continual disclosures required to be made to stock exchanges under the Regulations (see Part E of this Code of Fair Disclosures) as well as other disclosures; and
- (b) Information (including UPSI) disclosed by the Company with stock exchanges under the mandatory continual disclosure requirements or otherwise shall also be made available on the Company's official website; and

- (c) The Company may, at its option, also use its official website to provide investors a direct access to analyst briefing material, significant background information and questions and answers.
- 7.2 In addition to the medium(s) of disclosure as outlined in paragraph 7.1 above, the Company may, at its option, also disseminate UPSI through press releases distributed through a widely circulated news service, or announcements made through press conferences or conference calls that interested members of the public may attend or listen to either in person, by telephonic transmission, or by other electronic transmission (including use of the Internet). The public shall be given adequate notice of the conference or call and the means for accessing it.

Part G
Miscellaneous

8. Without prejudice to the generality of the aforesaid clauses, the requirement of disclosure under Regulation 30 of the SEBI **(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015** as may be amended, modified, substituted or replaced from time to time, shall be deemed to be incorporated by reference in this Code.

Policy for Determination of Legitimate Business Purpose

Objective:

In terms of Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2018, it is necessary for the Board of Directors of a Listed Company to make a policy for determination of “legitimate Purpose”. The objective of the policy is to regulate and monitor communication of UPSI for legitimate business purpose in the best interest of the company and to ensure that such information is not misused by the recipient thereof.

Definition:

“Legitimate Business Purpose” means any purpose furthering or in the best interest of the Company and shall include the following in connection with:

- i. the preparation of financial statements,
- ii. fulfilment of any statutory obligation or compliance with applicable laws and regulations.
- iii. any filing with or investigation, inquiry or request for information by a Governmental Authority,
- iv. availing/renewal of any financial facility and/or compliance with requirements set forth in any credit facility or other agreement evidencing Indebtedness or otherwise required by financing sources thereof,
- v. Due Diligence relating to acquisition/takeover/merger/demerger or any other similar arrangement/restructuring of the company or its division/brand/products, etc., or
- vi. fulfilment of a pre-existing obligation.

Policy:

1. Any Unpublished Price Sensitive information (UPSI) shall be shared by a “designated Person” only on a “need to know” basis and only for Legitimate business purpose. Any such communication or sharing of UPSI shall be in furtherance of and in the best interest of the Company.
2. All persons in receipt of such UPSI shall be considered as “insider” and shall not trade in securities of the company when in possession of such UPSI. Such “insiders” are obliged to comply with the requirements of PIT Regulations.
3. The Company shall maintain a structured digital data base of all such persons containing the name, address, PAN number or any other Identifier if PAN not available, nature of UPSI, LBP for which the information or communication was shared and date and time when such UPSI was shared.
4. The Company shall before sharing of such information serve a notice on or sign a confidentiality/ non disclosure agreement with, the person with whom UPSI is shared informing him/her that he/she has to ensure the compliance of PIT Regulations while in possession of UPSI.

5. If information/communication is shared with several persons representing a firm/entity which has been appointed or has the duty to carry out a legitimate business purpose, the notice to or Confidentiality/Non Disclosure Agreement has to be entered into with each such person.
6. Where information/communication is shared with any Regulatory or statutory or Government Authority, the said Authority may be put to notice with respect to dealing with such UPSI and compliance of PIT Regulations.

Authority:

The "Policy for Determination of Legitimate Business Purpose has been approved by the Board of Directors by circular resolution passed on 28th March 2019.