

## CODE OF FAIR DISCLOSURES AND CONDUCT

### ❖ OBJECTIVE

The Securities and Exchange Board of India (“SEBI”) has formulated SEBI (Prohibition of Insider Trading) Regulations, 2015, which is applicable to all companies whose shares are listed on Indian stock exchanges.

As required under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as further amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as “Insider Trading Regulations/ Regulations”), the Board of Directors of HLE Glascoat Limited has formulated the “Code of Fair Disclosure and Conduct” for Unpublished Price Sensitive Information (hereinafter referred to as “the Code”) for adhering to the Principles of Fair Disclosure.

The Code of Fair Disclosures and Conduct (the Code) is being framed and implemented by the Company to ensure appropriate and timely disclosures of the Unpublished Price Sensitive Information (UPSI) to the public at large, simultaneously reducing the misuse of the UPSI by the persons dealing with it. The Company has adopted this Code to ensure the interests of the public at large related to the use of the UPSI of the Company as balanced against the genuine, controlled and legitimate use of the UPSI by the persons possessing it.

This Code formulates a framework of manner of fair disclosures of events and occurrences that could impact price discovery of the Company’s securities in the market. The Principles set out in this Code provide guidance on all aspects of handling of UPSI by the persons dealing with the same.

### ❖ TERMS AND DEFINITION

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 (the “Regulations”) 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 there under, as the case may be or in any further amendments thereto.

### ❖ APPLICABILITY

This Code is applicable to all persons of the Company who handle such UPSI of the Company, especially the designated persons and the persons having contractual or fiduciary relations with the Company.

### ❖ UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

UPSI means any information relating to the company or its securities, directly or indirectly, that is not generally available, but 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) Declaration of financial results (quarterly, half-yearly and annually)
- (b) Declaration of dividends (interim and final)
- (c) Changes in capital structure of the Company
- (d) Any major expansion plans or execution of new projects
- (e) Amalgamation, mergers, demergers, takeovers, delisting and such other transactions
- (f) Acquisition/ Disposal of whole or substantially whole of the undertaking
- (g) Changes in Key Managerial Personnel of the Company
- (h) Material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended till date)

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### ❖ POLICY FOR LEGITIMATE PURPOSE

The Policy is framed in terms of Regulation 3(2A) inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 notified by SEBI on 31st December, 2018, made effective from 1st April, 2019 which provides that, listed entities are required to make a policy for determination of “legitimate purposes” as part of “Code of Fair Disclosure and Conduct: formulated under regulation 8.

No insider shall communicate, provide, or allow access to any UPSI, relating to the Company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.

The term “legitimate purpose” includes sharing of UPSI in the ordinary course of business on a need-to-know basis 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.

Further, any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an “insider; for the purpose of the Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations.

Appropriate Chinese wall measures are employed to safeguard confidentiality of all unpublished confidential information, to prevent any leakage of corporate inside information, intended to prevent the sharing of information that might lead to ethical or legal violations or conflict of interest, or any such misuse of information.

### ❖ PRINCIPLES OF FAIR DISCLOSURE

This Code is formulated on the basis of following principles:

i. Prompt Disclosure

Prompt Disclosure of UPSI that would impact price discovery shall be disclosed to the Stock Exchanges and disseminated promptly on a continuous basis as soon as credible and concrete information comes into being in order to make such information generally available.

ii. Uniform & Universal Dissemination

Uniform and universal dissemination of UPSI to avoid selective disclosure through communication of the same to the Stock exchange(s) and disclosing on the Company’s website viz., [www.hleglascoat.com](http://www.hleglascoat.com).

iii. Prompt and Timely Action

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

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- iv. Appropriate Reactions to Media  
Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. However, the Company shall not comment on every market rumour, except on intimation/ requests by the Stock Exchange for the same.
- v. Care in sharing  
Ensuring that information shared with analysts and research personnel is not UPSI.
- vi. Manner of confirming  
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.
- vii. Need-to-know Basis  
Handling of all UPSI on a need-to-know basis and for legitimate purposes and not to evade or circumvent the prohibitions of the Regulations. Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty in ordinary course of business.
- viii. Single Window Dissemination  
The Compliance Officer of the Company shall act as a Chief Investor Relations Officer [CIRO] and will be responsible for ensuring that the Company complies with the continuous disclosure requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and this Code. CIRO shall also be responsible for overseeing, monitoring & co-ordinating dissemination of disclosure of price sensitive information to Stock Exchanges and stakeholders.

The Chief Investor Relations Officer would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to the Fair Disclosure Code as required under the Insider Trading Regulations so as to avoid selective disclosure.

Employees of the Company shall not respond under any circumstances to the enquiries from the Stock Exchanges, media or others unless authorised to do so by the CIRO.

If information is accidentally disclosed without prior approval, the person responsible may inform the Chief Investor Relations Officer immediately. The Chief Investor Relations Officer will then promptly disseminate the information so as to make such information generally available.

### **DISCLOSURE/DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS, RESEARCH PERSONNEL, INSTITUTIONAL INVESTORS**

The Company shall provide only public information/generally available information to the analyst/research personnel/large investors like institutions. The CIRO shall ensure that information shared with them is not UPSI. The Company shall ensure that no insider information is given when answering an analyst's question. No analyst, investor or journalist should receive any selective release of inside information. The meetings held with the analyst should be made public at the earliest.

The Chief Investor Relations Officer shall ensure that best practices are developed to disclose on the official website of the Company transcripts or records of proceedings of quarterly earning call with analysts to ensure official confirmation and documentation of disclosures made.

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The best practices shall include uploading the following information on the website of the company –

- Any Power Point Presentation or similar material used by the analyst in such meeting on the website of the Company.
- Any earnings guidance or any other similar material distributed during press conference.
- Any material information about business plans of the company provided in response to analyst queries or during discussions in a meeting or any other information which may lead to price discovery has been shared.

### ❖ **REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES**

The designated persons of the Company shall promptly inform the Compliance Officer of the Company in case he/ she and/ or his/ her immediate relatives comes in possession of the UPSI or gets the information about its misuse.

### ❖ **CONTRAVENTION OF CODE OF CONDUCT**

The Board of the Company may penalize and/ or take appropriate disciplinary action as stipulated in the Company's Code of Conduct for Prevention of Insider Trading which may include disgorgement proceedings, fines, wage freeze, suspension, ineligible for future participation in employee stock option plans, imprisonment, etc. in case any person violates this Code. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

### ❖ **INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, the same shall be informed by the Company to the stock exchanges where the shares of the Company are listed.

### **AMENDMENT**

The CIRO, subject to the approval of the Board of Directors of the Company reserves the right to amend or modify the code in whole or in part, at any time, when it seems appropriate, to be in compliance with the regulations. The Board of Directors may establish further rules and procedures, from time to time, to give effect to the intent of this Code.

### **DISCLOSURE OF THE CODE IN PUBLIC DOMAIN**

The code shall be published on the official website of the Company. Further, this Code and every subsequent amendment made thereto shall be intimated to the stock exchange where the securities are listed.

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