



CHEMCRUX ENTERPRISES LIMITED

**CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION &
LEGITIMATE PURPOSE**

CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION - CEL

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

Background

The Chairman apprised the Board that Pursuant to 8(1) of the Chapter IV of the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter collectively referred as "SEBI PIT Regulations") the Board of Directors of **Chemcrux Enterprises Limited** ("the Company") has formulated and amended the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") to include policy for determination of "Legitimate Purposes", notified on 31st December, 2018, and applicable w.e.f. 1st April, 2019.

Objective

The Company strives to ensure high professional and ethical standards in all the business activities in the best interest of the Company. This Code intends to formulate a standard framework for fair disclosure of unpublished price sensitive information (UPSI), preserve the confidentiality of UPSI and to prevent trading based on UPSI.

Terms and Definitions

Words and expressions used but not defined in this Fair Disclosure Code shall have the same meaning assigned to them in the SEBI PIT Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 2018 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be including amendments(s)/ modification(s) thereto.

Principles of Fair Disclosure

The Company in compliance of SEBI PIT Regulations shall follow the practices and procedures laid down herein below to make fair disclosure of events and occurrence that could impact price discovery of its equity shares on the floor of Stock Exchanges.

1. Prompt public disclosure of unpublished price sensitive information.

The Company shall make a prompt public disclosure of unpublished price sensitive information that would impact the price discovery, as soon as credible and concrete information comes into being, in order to make such information generally available.

2. Compliance Officer or any other senior managerial employee / key managerial person as decided by the Company shall act as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

3. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.

The Chief Investor Relations Officer shall ensure

CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION - CEL

- (i) to disseminate unpublished price sensitive information uniformly and universally to avoid selective disclosure; and
- (ii) to promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

4. Information disclosure/ dissemination may normally be approved in advance by the Whole Time Director / Managing Director / Chief Executive Officer or in his absence, any director of the Company.

If information is accidentally disclosed without prior approval as aforesaid, the Chief Investor Relations Officer may inform the WTD / MD / Chief Executive Officer immediately, even if the information is not considered price sensitive.

Any decision in the nature of unpublished price sensitive information shall be advised to the Company Secretary, the Compliance Officer and he / she, on behalf of the Company, shall be responsible for continuous and immediate dissemination of such information to the Stock Exchanges.

The Company shall supplement the information released to Stock Exchanges by public announcements and / or by simultaneously publishing information in the Company's website.

5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

The WTD / MD / CEO of the Company or in his / her absence, the Director or the Chief Investor Relations Officer or the Compliance Officer or any other person authorised by the Board of Directors shall respond in an appropriate and fair manner to any queries on news reports or requests for verification of market rumours by the regulatory authorities / Stock Exchanges.

Either one of them shall decide whether a public announcement is necessary for verifying or denying any of the news reports or rumours and take such action as may be necessary.

6. Disclosure / dissemination of unpublished price sensitive information With special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors

- **Only public information to be provided.**

The Company shall provide only generally available information, namely information that is accessible to the public on a nondiscriminatory basis, to analysts/research persons/large investors like institutions.

CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION - CEL

Alternatively, the information given to analysts shall simultaneously be made public through press release and/or by publication in the Company's website at the earliest. It shall be ensured that any information shared with analysts, Institutional Investors and Research Personnel is not unpublished price sensitive information.

- **At least two Company representatives shall be present at meetings with analysts, media persons and institutional investors.**

In order to avoid misquoting or misrepresentation, it is desirable that at least two representatives of the Company be present at meetings with analysts, brokers or Institutional Investors and discussion should preferably be recorded. It is also desirable that, if the meeting is a large gathering, the meeting may be video-graphed.

- **Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.**

The Company's representatives shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be noted and a considered response may be given later. If the answer includes unpublished price sensitive information, a public announcement shall be made before responding.

- **Simultaneous release of information after every such meet**

When the Company organizes meetings with analysts, it shall make a press release or post relevant information on its website or may resort to web-casting after every such meeting.

- **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.

The Company may continue to develop best practices followed elsewhere to ensure appropriate disclosure / dissemination of unpublished price sensitive information. This may include recording /making transcripts of proceedings of meetings with analysts and other investor relations conferences on the website etc.

- 7. Handling of all unpublished price sensitive information on a need-to-know basis.**

Disclosure/dissemination of information may be done through various media such as publication of results, briefings on meetings with analysts and other investor relations conferences on the Company's website and/ or press release so as to achieve maximum reach and quick dissemination.

The Company shall ensure that disclosure of information to Stock Exchanges is made promptly. The information filed by the Company with Stock Exchanges under continuous disclosure requirement under the SEBI (Prohibition of Insider Trading) Regulations, 2015 may be made available on the Company's website.

CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION - CEL

LEGITIMATE PURPOSE

1. "Legitimate purpose" shall mean Sharing of unpublished price sensitive information in the course of business by an insider with partners, promoters, 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 PIT Regulations.
2. Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an "insider" for purposes of the SEBI PIT Regulations and due notice shall be given to such person to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations. Such person is also required to ensure the confidentiality of unpublished price sensitive information shared with him /her, in compliance with the SEBI PIT Regulations.
3. Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, diversification, expansion acquisition in the stake of other entities, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.
4. A structured digital database shall be maintained containing the names of such persons or entities, as the case may be, with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to secure such database. Documents containing confidential information shall be kept secured. Computer files must have adequate security login and password, etc.

Amendment

The Board of Directors is authorised to amend or modify this Fair Disclosure Code in whole or in part as and when deemed necessary, to stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

Scope and Limitation

In case there are any regulatory changes requiring modifications to this policy, the same shall be reviewed and amended with the approval of the Board of Directors. However, the amendment in the regulatory requirements shall be binding on the Company and prevail over this Policy even if not incorporated in this Policy.

CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION - CEL

Disclosure of the Code on Public Domain

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed and also published on the official website of the Company.

(Note: Policy for determination of “Legitimate Purposes” covered under this Code, formulated pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 shall come into effect from April 01, 2019.)
