

# **HAPPY STEELS LIMITED**

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UNPUBLISHED PRICE SENSITIVE INFORMATION**



## 1. INTRODUCTION

The Securities and Exchange Board of India (“SEBI”) had promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015, and has been amended from time to time.

The said Regulations require the Board of Directors of every listed entity to formulate and publish on its website, a Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (“UPSI”) that it would follow to adhere to the principles prescribed therein. In accordance with the Regulations, this Code of Practices and Procedures for Fair Disclosure of UPSI (“Fair Disclosure Code”) has been adopted by the Board of Directors of Happy Steels Limited (“HSPL” or the “Company”) for the consistent, transparent, regular and timely public disclosure and dissemination of UPSI.

This Code shall come into force with an effective date as approved.

## 2. OVERSEEING AND COORDINATION DISCLOSURE

**“Chief Investor Relations Officer” or “CIRO”** shall oversee dealing with dissemination of UPSI to analysts, investors and research personnel for the purposes of this Code. The CIRO shall ensure that such information is disclosed to the Compliance Officer for necessary submission to the Stock Exchanges.

The Compliance Officer is also responsible for ensuring compliance under this code, overseeing and coordinating disclosure of unpublished price sensitive information to stock exchanges, shareholders, analysts and media and for educating HSPL’s staff on disclosure policies and procedure.

All the unpublished price sensitive information is to be handled on “need to know basis”, i.e., Unpublished Price Sensitive Information should be disclosed only to those within HSPL who need the information to discharge their duty and whose possession of such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 Compliance Officer.

- a. In the event of uncertainty as to whether any information is UPSI or not, the same shall be referred to the Compliance Officer/CEO/CFO or such other person as authorized.
- b. In addition to CIRO, the following persons (“Authorised Spokespersons”) are also authorized to communicate with the Investors in coordination with the CIRO:
  - i. Chief Executive Officer (“CEO”)
  - ii. Chief Financial Officer (“CFO”) and
  - iii. Any other person authorised by the Board/or the CEO/CFO/ CIRO
- c. For any specific event or interaction one or more Company officials (including various department and Business Heads) may be invited to interact with investors, research analysts.

## 3. PRINCIPLES OF FAIR DISCLOSURE & PRESERVATION OF UPSI

All UPSI is to be preserved and maintained in utmost confidentiality by everyone including those who are recipients of any UPSI.



The following principles shall always be followed in relation to fair disclosure of UPSI, in accordance with the Fair Disclosure Code and pursuant to Applicable Law:

**i. Prompt public disclosure of UPSI**

The Company shall ensure dissemination of UPSI that would impact price discovery in a prompt and timely manner once a definitive decision has been taken to disclose such information.

- a. Company to take reasonable steps to ensure the accuracy of information before dissemination.
- b. Disclosure of UPSI shall be in accordance with this Code/applicable laws and other Company procedures if any, and 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**

- a. UPSI will be disseminated uniformly and universally to all stakeholders through Stock Exchanges. Additionally, the same may also be posted on the official website of the Company as per Applicable Law.
- b. In case any information is disclosed selectively, whether by inadvertence or otherwise, the Company shall take the necessary corrective action, including informing the Stock Exchanges, to make the information publicly available. This will be decided by the Compliance Officer/CIRO in conjunction with the Managing Director or Chief Executive Officer and the Chief Financial Officer.
- c. It is clarified that information to be termed UPSI should be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in securities. For the purpose of disclosure, the CIRO may consult such officials within the Company to ensure the correctness and credibility of the UPSI.
- d. The CIRO should authorise disclosure or dissemination of UPSI (i) by way of intimation to the stock exchanges, such that further disclosure can be made from the stock exchange websites; (ii) on the official website to ensure official confirmation and documentation; and (iii) in any other manner as may be decided by the CIRO to facilitate uniform and universal dissemination of UPSI.
- e. All communications of UPSI with the stock exchange shall be approved by the CIRO and communicated through appropriate personnel under his direction.
- f. The CIRO shall also be responsible for overseeing the contents of UPSI to be posted on the website of the Company for the purposes of this code and shall give appropriate directions for the publication of the same. No other person shall be authorised to post any UPSI in the absence of any directions from the CIRO.
- g. Disclosures must be complete in all material respects and should not be misleading.
- h. To facilitate timely disclosure of UPSI, all employees, designated persons or insiders will be required to communicate any UPSI to the CIRO as soon as credible and concrete information comes into being.



- i. Disclosure must be corrected immediately if the Company is subsequently made aware that its earlier disclosure contained a material error or omission at the time it was given

**iii. Need to know**

- a. Disclosure of UPSI to be made only if it is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.
- b. Subject to applicable laws, PIT Code, Fair Disclosure Code and other codes and policies and any procedures framed by the Company, UPSI shall be shared only on a need-to-know basis, post executing the Non-Disclosure/ Confidentiality Agreement or on serving notices of confidentiality.

**iv. Procedures for Disclosure/dissemination of Information with reference to analysts, Institutional Investors, research personnel**

- a. Only generally available information will be provided to analysts, research personnel and institutional investors. In case there is any unintentional disclosure of UPSI to analysts, research personnel or institutional investors, the same should also be made generally available information at the earliest. All unpublished price sensitive information shall be first communicated to the stock exchanges before the same is shared with analyst & research personnel.
- b. To bring in uniformity of information dispersal, it is desirable that more than one Company representative (including a representative of the Investor Relations team) be present at the meeting with analysts, research personnel and institutional investors; wherever possible.
- c. Transcript of the meetings/conference calls with analysts shall be furnished to the stock exchanges and then posted on Company's website. The CIRO shall ensure that the Audio/video recordings and transcripts of quarterly earnings calls or other interactions with analysts/ investors shall be posted on the company's website within such time frame as may be decided, within a given statutory time limit, if any.
- d. The Company should be cautious while dealing with analysts, research personnel and Institutional investors that raise questions beyond the intended scope of discussions. Unanticipated questions may be taken on record and a careful response may be provided later.
- e. If any UPSI is shared in any meetings with analysts/research personnel/investor meet (attended by persons representing the Company, whether one on one or group meet), it shall tantamount to 'selective disclosure'.

Hence the Company will be required to disclose audio recordings or transcripts of all such information where UPSI is shared irrespective of whether the meeting was organised by the Company or any other entity.

**v. Procedures for responding to any queries on news reports and/or requests for verification of market rumours by regulatory authorities**

- a. The Company shall maintain a practice of not commenting on market rumours except when requested by Regulatory Authorities to verify such rumours. The CIRO shall ensure that appropriate and fair responses are provided to queries on news reports and requests for verification of market rumours by Regulatory Authorities. Company may ignore speculative



reports that appear in the press or in the electronic media. However, if the situation so demands, Public Relations, Compliance Officer or any other person authorised by the Company may respond to queries on news reports and/or market rumours, in consultation with the MD/ CEO/ CFO / CIRO, and disseminate it to the Stock Exchanges and external agencies, as required.

#### **4. CLARIFICATIONS**

The Compliance Officer may be contacted for any queries concerning this Fair Disclosure Code.

#### **5. ENFORCEMENT**

In case of any violation of the Fair Disclosure Code by the Designated Person, penal action may be taken against such person by the Company pursuant to the Applicable Law. Additionally, such person may also be subjected to disciplinary action including termination of employment, suspension, wage freeze, non-participation in future employee stock option or any other appropriate action as may be decided by the Audit Committee / Inquiry Committee.

Action taken by the Company for violation of this Fair Disclosure Code against any Designated Person will not preclude SEBI from initiating any action for violation of the Regulations or any other applicable laws, rules, directions, etc. Accordingly, in addition to the action taken by the Company, the person violating this Fair Disclosure Code and Regulations will also be subject to action by SEBI including but not limited to monetary penalties or imprisonment as per Applicable Law.

#### **6. MEDIUM OF DISCLOSURE/DISSEMINATION**

The Company shall disseminate all credible and concrete UPSI on a continuous and in a timely manner to stock exchanges where its securities are listed in accordance with the requirements of applicable law and thereafter to the press. As a good corporate practice, the UPSI disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's website. The Company may also consider other modes of public disclosures of UPSI so as to improve investor access to the same.

#### **7. POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES"**

In line with clause 2A of regulation 3 of the PIT Regulations, Policy for determination of legitimate purposes is provided under Schedule A of this Code.

#### **8. REVIEW AND AMENDMENT**

The Board reserves the authority to review and modify this Fair Disclosure Code from time to time. All provisions of this Fair Disclosure Code would be subject to amendment / change in accordance with appropriate laws as may be issued by relevant Statutory, Governmental, and Regulatory Authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.

Every amendment thereto shall be promptly intimated to the Stock Exchanges where the Shares of the Company are listed.



Note: Words not define herein shall have the meaning as per the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015.

## **SCHEDULE A**

### **1. INTRODUCTION**

The “Policy for Determination of Legitimate Purpose (“**Policy**”) is framed in compliance with the provisions of regulation 3(2A) of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”), and amendments thereto; as a part of the Company Code of Practices and Procedures for Fair Disclosure of UPSI. This Policy has been adopted to determine “Legitimate Purposes” for sharing UPSI.

### **2. DETERMINATION OF LEGITIMATE PURPOSE**

“Legitimate Purpose” shall include sharing of UPSI in the ordinary course of business, on a need-to-know basis, by an Insider with partner(s), collaborator(s), lender(s), analyst(s), bank(s), consultant(s), customer(s), supplier(s), merchant banker(s), lawyer(s), legal advisor(s), auditor(s), insolvency professional(s) or other advisor(s) or consultant(s) or any intermediary(s) or fiduciary(s) for the purpose of:

- i. performance of duties;
- ii. discharge of contractual obligations;
- iii. pursuance of envisaged corporate actions resulting to UPSI;
- iv. discharge of Regulatory/ Statutory Obligation;
- v. evaluation of business opportunities; and
- vi. other Bonafide purposes on need basis.

Provided that the intent not being to evade or circumvent the prohibitions under the Company’s Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and the provisions of the Regulations.

The determination of ‘Legitimate Purpose’ would be a subjective assessment and would have to be evaluated on a case-by-case basis. As such, an exhaustive list of the events and circumstances that would always be considered ‘legitimate’ for sharing UPSI cannot be specified. However, in addition to the above, sharing of UPSI in following circumstances, will also be deemed to be for a Legitimate Purpose:

- a. Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, and not to transact in the Company’s Shares on the basis of such information;
- b. Sharing for the purposes of obtaining regulatory licenses and approvals;
- c. Sharing for obtaining various credit facilities or loans, giving guarantees, or providing security from/to banks, financial institutions, or other lenders;
- d. Sharing information with legal advisors or counsels in relation to any litigations, representations or registering of any intellectual property rights or in relation to obtaining any opinion or advisory services advisory services;



- e. Sharing for obtaining advice or/ and transaction support for evaluating new products, business opportunities and lines of business;
- f. Sharing for the process related to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- g. Sharing for a genuine, reasonable or a Bonafide business determined by the CISO in conjunction with the Managing Director or Chief Executive Officer or Chief Financial Officer or Compliance Officer or Company Secretary of the Company;
- h. Procuring /sharing of UPSI in the ordinary course of business for the purpose of consolidation of accounts;
- i. Sharing of UPSI in furtherance of performance of duties (including any corporate or fiduciary duties) and obligations of a person in their capacity as an employee or Director of the Company as per the terms of his / her employment or appointment and/or the applicable laws;
- j. Arising out of business requirement including requirement for the purposes of promoting the business and strategies of organisation;
- k. Sharing of UPSI for any purpose for performance of routine operations of the Company and/ or for the furtherance of business, strategies or objectives of the organisation;
- l. Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force.

In case of any doubt, the Compliance Officer may be consulted for determining Legitimate Purpose before sharing any UPSI. Further, while making such determination, due regard shall be given to the matters affecting the Company at the relevant time, and the information that is generally available about the Company at the relevant time. In the event there are several purposes for which UPSI is proposed to be shared, each such purpose should be evaluated on its merits, in line with the above principles.

All such persons sharing UPSI shall ensure compliance with all applicable provisions of the Fair Disclosure Code and Code of Conduct for Prevention of Insider Trading and the Regulations or any other Company mandated policies pertaining to sharing/disclosure of UPSI.

### **3. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

The recipient of such UPSI shall be considered an "Insider" for purposes of Regulations and will have a duty and responsibility to maintain its confidentiality by way of execution of agreements to contract confidentiality/Non-Disclosure Agreements. Such recipient shall keep information so received confidential, except for the limited purpose as defined in this Code and shall not otherwise trade in Shares of the Company when in possession of UPSI or even communicate UPSI.

The Insider will obtain Company's written consent, in case UPSI received by the Insider under this Policy's proposed to be used by the Insider for purpose other than the initial legitimate purpose for which the Company has provided UPSI.

### **4. STRUCTURED DIGITAL DATABASE (SDD)**



Structured Digital Database shall be used for purposes of sharing of UPSI for a Legitimate Purpose. It shall contain the nature of UPSI shared and the names of such persons who have shared the information and also the names of such persons with whom information is shared as per the Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such Database shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This digital database should be preserved for a period of not less than eight years after completion of relevant transactions.

FOR HAPPY STEELS LIMITED  
Deepak Gang  
Director

FOR HAPPY STEELS LIMITED  
Abhishek Gang  
Managing Director  
DIN-00621845