



## **DIVGI TORQTRANSFER SYSTEMS LIMITED**

### **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

#### **Document Control**

Created by	Company Secretary and Compliance Officer
Reviewed by	Audit Committee on June 02, 2022
Approved by	Board of Directors on June 10, 2022
Version	1.0/2022

#### **Document Record Sheet**

<b>Sr. No.</b>	<b>Revision No.</b>	<b>Date</b>	<b>Description of changes</b>

#### **CHAPTER-I PRELIMINARY**

1. (a) This code shall be called "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ("**Code**").  
(b) It has come into force with effect from the date of approval of the Board of Directors of Divgi TorqTransfer Systems Limited ("**Company**").
2. **Definitions:**
  - 2.1. "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

- 2.2.** “**Company**” means **DIVGI TORQTRANSFER SYSTEMS LIMITED**;
- 2.3.** “**Board**” means the Securities and Exchange Board of India;
- 2.4.** “**Regulations**” means the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto;
- 2.5.** “**Compliance Officer**” means Company Secretary of the Company unless any senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in the Regulations under the overall supervision of the Board of Directors of the Company; (“**Board of Directors**”); the term “**financially literate**” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows;
- 2.6.** “**Insider**” means any person who is:
- (i) A connected person; or
  - (ii) In possession of or having access to unpublished price sensitive information; or
  - (iii) Any person who is in receipt of unpublished price sensitive information pursuant to a Legitimate Purpose;
- 2.7.** “**Legitimate Purpose**” shall include sharing of unpublished price sensitive information in the ordinary course of business by an Insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), legal adviser(s), auditors, insolvency professional(s) or other advisor(s), or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations;
- 2.8.** “**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;
- 2.9.** “**Unpublished Price Sensitive Information (UPS)**” 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 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, delisting, disposals and expansion of business and such other transactions; and
  - (v) Changes in key managerial personnel.

**CHAPTER – II**  
**PRINCIPLES AND OBLIGATIONS AND APPLICABILITY**

**3. The Principles and Obligation:**

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Every Promoter, Director and employee who deals with unpublished price sensitive information has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. There shall be no selective disclosure of the information and the Company and every employee of the Company shall endeavor to ensure equal accessibility of information to all the stakeholders associated with the Company.

**4. This Code shall apply to all “Insiders” defined at 2.5, as above including connected person and designated persons and their immediate relatives.**

**CHAPTER –III**  
**PRACTICES AND PROCEDURES**

5. The Company shall adhere to the following principles of fair disclosure of Unpublished Price Sensitive Information with respect to it or its securities, which is likely to affect price of the securities:
- (a) The Company shall make prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
  - (b) The Company shall ensure uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
  - (c) The Company shall designate a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
  - (d) The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
  - (e) The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
  - (f) The Company shall ensure that, information, if any, shared with analysts and research personnel is not Unpublished Price Sensitive Information.
  - (g) The Company shall develop best practices to make available transcripts or records of

proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.

- (h) The Company shall handle all Unpublished Price Sensitive Information on a need-to-know basis.

#### **6. Responding to market rumors:**

- i) The Chief Investor Relations Officer shall on receipt of queries on news reports or requests for verification of market rumors received from regulatory authorities send an appropriate and fair response to the same.
- ii) The Chief Investor Relations Officer shall be responsible for deciding as to the necessity of a public announcement for verifying or denying rumors and thereafter making appropriate disclosures.
- iii) All requests/queries received shall be documented and as far as practicable, the Chief Investor Relations Officer, shall request for such queries/requests in writing.

#### **7. Disclosure/Dissemination of UPSI with special reference to Analysts, Institutional Investors:**

- i) No person, except those authorized by the Chief Investor Relations Officer, shall disclose any information relating to the Company's Securities to analysts and research persons. The Chief Investor Relations Officer shall be invited to meetings/ conferences organized by the Company with analysts/research persons.
- ii) All Directors and Employees of the Company should follow the guidelines given hereunder while dealing with analysts and institutional investors:-

#### **8. Sharing of UPSI:**

- i) The Chief Investor Relations Officer of the Company shall provide only public information to analysts/ research persons. In case any UPSI is proposed to be provided, the person proposing to so provide information shall consult the Chief Investor Relations Officer, in advance. The Chief Investor Relations Officer shall ensure that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure.
- ii) The Company shall take extreme care and caution when dealing with Analysts' questions that raise issues outside the intended scope of discussion.
- iii) The Chief Investor Relations Officer should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later. If the answer to any question requires dissemination of UPSI, the Chief Investor Relations Officer, shall disseminate necessary information to the Stock Exchanges/public announcement through press. The Chief Investor Relations Officer, shall, after dissemination of such UPSI, respond to such unanticipated questions.

- iv) The Chief Investor Relations Officer shall handle all the UPSI on a need-to-know basis only.
- v) The Company will ensure that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
- vi) The Company will make transcripts or records of proceedings of meetings with analysts and other investor relation conferences available in a timely manner on the official website to ensure official confirmation and documentation of disclosures made.
- vii) The Company will handle all unpublished price sensitive information on a need to know basis by creating suitable safeguards to avoid unpublished price sensitive information becoming available to any person who is not required to have access to such information.

## 9. Legitimate Purpose

The Unpublished Price Sensitive Information can be shared as an exception for the legitimate purposes (as per **“Policy of determination of legitimate purposes”**), provided it is not shared to evade or circumvent the prohibition under the Regulations, performance of duties, or discharge of legal obligations.

Legitimate Purpose shall inter alia include sharing of UPSI on need to know basis by an insider with the promoter, subsidiaries, associates, joint ventures, any governmental and other statutory authority, Courts of law, Tribunals, intermediaries and fiduciaries engaged by the Company, 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.

Any person in receipt of UPSI pursuant to a **“legitimate purpose”** shall be considered an **“insider”** for purposes of the Regulations and a confidentiality agreement must be executed with such persons, to maintain confidentiality of such UPSI in compliance with the Regulations.

Accordingly, the Board of Directors have formulated a **“Policy for Determination of Legitimate Purposes”** which forms a part of this Code and is annexed hereto.

## 10. Recording of discussion:

All analyst and other investor relations conferences shall be attended by the Chief Investor Relations Officer who may be accompanied by any other Employee(s) of the Company. In order to avoid misquoting or misrepresentation, the Chief Investor Relations Officer can make transcripts or arrangements for recording the discussions at the meeting.

## 11. Simultaneous release of information:

Whenever the Company proposes to organize meetings with investment analysts/research person, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets.

The Chief Investor Relations Officer, shall be responsible for drafting of the press release or the text of the information to be posted on the Company's web-site.

## **12. 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 disclosure of UPSI so as to improve investor access to the same.

The information filed by the Company with the Stock Exchanges under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall also be posted on the Company's website.

The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges, as required under the Regulations.

## **13. Code of Conduct**

The Company shall adhere to the prescribed standards under the Insider Trading Policy.

## **14. Digital Database**

The Board of Directors of the Company shall ensure that a structured digital database is maintained as per the regulatory requirements.

## **15. Restrictions on Communication and Trading by Insiders**

The Board of Directors of the Company shall require the parties to execute agreements to maintain confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential and shall not otherwise trade in Securities when in possession of Unpublished Price Sensitive Information.

## **16. Chief Investor Relations Officer**

The Compliance Officer of the Company has been designated / called as the "Chief Investor Relations Officer" to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.

## **17. Amendment**

The Board of Directors, subject to applicable laws, rules & regulations, may amend/substitute any provision(s) with a new provision(s) or replace this entire Code with new Code.

In any circumstance, where the terms of this Code differ from any law, rule, regulation, etc. for the time being in force, the law, rule, regulation, etc. shall take precedence over this Code.

This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the stock exchanges, if required under the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any amendments(s) or re-enactment thereto.

***In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.***