

## **CODE OF CONDUCT AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **Background**

The Chairman apprised the Board that The Securities and Exchange Board of India (SEBI) vide its notification No. LAD-NRO/GN/2014-15/21/85 dated January 15, 2015 notified The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('Regulations'). There were several amendments to these Regulations, latest of which was notified on July 17, 2020.

The Board of Directors of Marine Electricals India Limited ("the Company") in its meeting held on 30<sup>th</sup> July, 2020 has amended the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") to include the amendments as made by SEBI Circular dated 17<sup>th</sup> July, 2020.

### **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 This Code intends to formulate a standard framework for fair disclosure of Unpublished Price Sensitive Information (UPSI), preserve the confidentiality of UPSI and to prevent trading based on UPSI.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 (Prohibition of Insider Trading Regulations) or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (Depositories and Participants) Regulations, 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. The Company shall ensure to make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being, to make such information generally available. The UPSI will be disclosed publicly via first intimating to the Stock Exchange.
2. The Company shall ensure to make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary / Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

4. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

5. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

6. The Company will ensure that, information if any, shared with analysts and research personnel, if any, is not unpublished price sensitive information.

7. The Company shall develop and follow 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.

8. The Company shall handle all unpublished price sensitive information on a need-to-know basis in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

### **Policy for determination of "Legitimate Purposes"**

**In line with clause 2A of Regulations 3 of SEBI PIT Regulations and any modification(s)/ amendment(s) thereto, Policy for determination of legitimate purposes is as under:**

1. "Legitimate purpose" shall mean Sharing of unpublished price sensitive information in the course of business by an insider with partners, 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.

1. 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.

2. 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.

3. A structured digital database shall be maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under these Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database

shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

4. Structured digital database shall be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings

### **Amendment**

The Board of Directors is authorized 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.

### **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 Clauses 9 to 12 of this Code, formulated pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 shall come into effect from April 01, 2019.)