



# Nahar

## CAPITAL AND FINANCIAL SERVICES LTD.



(A NON-BANKING FINANCIAL COMPANY)

Regd. Office & Corporate Office : "Nahar Tower", 375, Industrial Area-A, Ludhiana-141 003 (INDIA)

Phones : 91-161-2600701 to 705, 2606977 to 980 Fax : 91-161-2222942, 2601956

Email : secncfs@owmnahar.com Web Site : www.owmnahar.com CIN No. : L45202PB2006PLC029968

### Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

**Background:** The Securities and Exchange Board of India (hereinafter referred to as SEBI) vide notification dated 15<sup>th</sup> January, 2015 has made the regulations named as SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'the Regulations') which came into force w.e.f. 15<sup>th</sup> May, 2015, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. The Regulations provide that the Board of Directors of every listed company to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information that it will follow in order to adhere to each of the principles as set out in Schedule A to "the Regulations".

To comply with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company in their meeting held on 30<sup>th</sup> May, 2015 adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to ensure timely, fair and adequate disclosure of price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's Securities. The said code was also updated on Company's website i.e. www.owmnahar.com.

In terms of Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019, the Board of Directors of a Listed Company are required to make a policy for determination of "Legitimate Purposes" as a part of Code of Fair Disclosures and Conduct formulated under Regulation 8 of the Regulations. Accordingly, the Board of Directors in their meeting held on 11<sup>th</sup> February, 2019 amended the Code of Practices and Procedures for fair disclosure of unpublished price sensitive information to include therein the policy for Determination of Legitimate Purpose.

The Code is applicable to the designated persons and immediate relatives of designated persons as defined in the Regulations.

#### Code of practices and procedures for fair disclosure of unpublished price sensitive information

1. The Company shall ensure 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.
2. The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.



Mumbai : 414, Raheja Chambers, 213, Nariman Point, Mumbai - 400 021

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Gurgaon : Flat No. 22-B, Sector-18, Gurgaon-120 015 (India)

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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 prompt, appropriate and fair and factually correct response to queries on News Reports and requests for verification of market rumors by Regulatory Authorities.
6. The Company shall ensure that information 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 of the Company i.e. www.owmnahar.com 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 and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of legal, regulatory and statutory obligations.

### Policy for Determination of Legitimate Purpose

The objective of the policy is to regulate and monitor communication of Unpublished Price Sensitive Information (hereinafter referred to as "UPSI") for legitimate business purpose in the best interest of the company and also to ensure that such information is shared on "need to Know" basis and not misused by the recipient thereof.

### **Definition of Legitimate Business Purpose:**

"Legitimate Business Purpose" (hereinafter referred to as "LBP") means any purpose furthering or in the best interest of the Company and shall include the following in connection with:

- i. The preparation of financial statements and MIS in discharge of duties/responsibilities of the respective office of the organization.
- ii. Fulfillment of any statutory obligation or compliance with applicable laws and regulations.
- iii. Any filing with or investigation, inquiry or request for information by a Governmental Authority.

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- iv. Availing/ renewal of any financial facility and/or compliance with requirements set forth in any credit facility or other agreement evidencing Indebtedness or otherwise required financing sources thereof.
- v. Due Diligence relating to acquisition/takeover/merger/demerger or any other similar arrangement/ restructuring of the company or of its division/ products etc.
- vi. Sharing of information in the ordinary course of the business with consultants / advisors / lawyers/ auditors/ insolvency professionals/ lenders/ suppliers/ merchant bankers/ customers etc provided that such sharing shall not be carried out to evade or circumvent the prohibition of Insider Regulations.
- vii. Fulfillment of a pre-existing obligation.

### Policy:

1. Any UPSI shall be shared by a "designated Person" only on "need to Know" basis and only for LBP. Any such communication or sharing of UPSI shall be in furtherance of and in the best interest of the company.
2. Any person in receipt of such UPSI shall be considered as "insider" and shall not trade in securities of the company when in possession of such UPSI. Such "insiders" are obliged to comply with the requirements of the Regulations.
3. The Company shall maintain a structured digital data base of all such persons containing the name, address, PAN number or any other identifier if PAN not available, nature of UPSI, LBP for which the information or communication was shared and date and time when such UPSI was shared.
4. The company shall before sharing of such information serve a notice on or sign confidentiality/ non disclosure agreement with the person(s) with whom UPSI is shared informing him/her that he/she has to ensure the compliance of the Regulations while in possession of UPSI.
5. If information/ communication is shared with several persons representing a firm/entity which has been appointed or has the duty to carry out a LBP, the notice to or Confidentiality/Non Disclosure Agreement has to be entered into with each such person.
6. Where information/communication is shared with any regulatory, statutory or governmental authority, the said authority may be put to notice with respect to dealing with such UPSI and compliance of the Regulations.

**Important Note:** Subsequent modification(s) / amendment (s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 shall automatically apply to this Code.

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