

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE
INFORMATION (“UPSI”)

The Code of Fair Disclosure is a part of the Code of Conduct and the principles under Code of Conduct and Code of Fair Disclosure are to be read harmoniously.

Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (“UPSI”) for adhering each of the principles is set out below-

- I. Prompt public disclosure of UPSI that would impact price discovery 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.
- III. Mr. Pulak Kumar Tarafder is designated as Chief Investor Relations Officer (“CIRO”) to deal with dissemination of information and disclosure of UPSI.
- IV. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- V. Handling of all UPSI is on a need to know basis. UPSI may however be disclosed to persons who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Company.

Policy for Determination of “Legitimate Purpose”

1. “Legitimate Purpose’ shall mean sharing of UPSI in the ordinary course of business by an insider with partners, collaborator, 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 (Prohibition of Insider Trading) Regulations and the Code of Conduct for Insider Trading formulated by the Company;
2. Any person on receipt of UPSI pursuant to a legitimate person shall be considered as an “Insider” for the purpose of SEBI (Prohibition of Insider Trading) Regulations and due notice shall be given to such person to maintain

confidentiality of such UPSI in compliance with the regulations. Such person is also required to ensure the confidentiality of the UPSI shared with him/ her; and

3. 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 Permanent Account Number (PAN) 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 shall have adequate security login, password etc.

Brief of the practices and procedures for fair disclosure of Unpublished Price Sensitive Information (“UPSI”) for adhering each of the principles above is set out below-

1. The disclosure shall be in a uniform manner and shall not be on a selective basis.
2. The CIRO is to deal with dissemination and disclosure of UPSI in a uniform manner.
3. The CIRO shall obtain prior approval of Managing Director or the Board depending on the sensitivity of information before releasing to the media and the analyst.
4. If any information is accidentally disclosed or selectively disclosed, the person responsible for such disclosure shall promptly intimate the same to CIRO. The CIRO shall make best efforts to make the information generally available.
5. The Company shall disseminate all UPSI to stock exchanges where its securities are listed and thereafter to news agencies so as to make information generally available.
6. The disclosure shall be simultaneously made on the Company’s website.
7. The Company shall consider all other modes of disclosure which assures prompt and uniform disclosure.
8. The Company shall always comply with applicable laws, SEBI regulations in relation to Takeovers, Insider Trading and Listing with the Stock Exchanges while disclosing UPSI.
9. The CIRO will propose necessary changes to this Code of Fair Disclosure as and when the same is necessitated. The proposal will be considered by the Board of Directors of the Company and, if approved, will take effect immediately

following the Board Meeting in which such proposals are approved.

- VI. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. A brief code of practice to be followed by the Company is as under:
1. The Directors and Employees shall promptly direct any queries or requests for verification of market rumours received from the stock exchanges or press or media or any other source to CIRO.
 2. The CIRO shall respond to such request for information on the same day without any delay, if required.
 3. It is a general policy that the Company shall not respond to any rumours or speculations.
 4. The CIRO in consultation with the Board shall appropriately comment to the rumors that are likely to affect the price of the securities.
 5. All request for information, rumours, speculations and their responses, if any, shall be documented by the CIRO.
- VII. Ensuring that information shared with analysts and research personnel is not UPSI.
- VIII. 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.
1. All Employees and Directors shall provide only public information to analyst and research analysts, media, financial institutions etc.
 2. In case any UPSI is to be disclosed to aforesaid entities, the employee proposing to disclose such information shall do so only after consultation and approval from the CIRO and the Managing Director.
 3. All meetings with the analysts, media personnel, and financial institutions should be documented, recorded or minuted.
- IX. Handling of all UPSI on a need-to-know basis. Some of the best practices to be followed in this regard are set out hereunder:
1. Price sensitive information must be handled on a need to know basis.

2. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to any conflict of interest.
3. Any UPSI selectively disclosed to any person must be pursuant to consultation and approval from the Board of the Company. The recipient of such information should be appropriately informed of the Code of Conduct and Code of Fair Disclosure.
4. CIRO and Board shall make sure while dealing with third parties that confidentiality agreements or non-disclosure agreements shall be entered into wherever necessary to keep the information confidential.

X. Process of Public disclosure

1. The Company shall always comply with all applicable laws and regulations regarding the timely disclosure of UPSI. In order to ascertain whether the information is price sensitive or not, the Company shall take guidance from SEBI Regulations, Accounting Standards, Companies Act, 2013 including, SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011.
2. Once unpublished price sensitive information is ascertained and determined, the Compliance Officer in consultation with the Board or the Chairman of the Company shall take all actions for full and fair disclosure of such information on a uniform basis.
3. The principle method for publicly disclosing UPSI will be news release. The Company shall use a news service that provides simultaneous distribution to widespread news services, financial media and relevant stock exchanges and regulatory bodies.
4. For disclosure of UPSI, a draft news release shall be formulated by the department or employee handling such UPSI in consultation with CIRO. The CIRO in consultation with the Board shall make sure that the news release is in compliance with all the applicable laws.
5. The CIRO shall validate all the facts in relation to the news release in order to ascertain that the news release clearly and effectively communicates the intended substance and meaning of the information to the public.

6. Post review and approval, the CIRO and the Board or the Chairman of the Company shall determine a time and date of such disclosure to stock exchanges and regulatory bodies.
