

CODE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION OF SHANTHI GEARS LIMITED (“SGL”)

1. Corporate Disclosure Policy

- 1.1 The following is the Corporate Disclosure Policy/norm to be followed by the Company to ensure timely and adequate disclosure of price sensitive information. The Company intends to adopt and follow best and fair practices in making public disclosures and this Policy lays down the Company’s principles for making a fair disclosure/dissemination of its unpublished price sensitive information.

2. Prompt disclosure of price sensitive information

- 2.1 Disclosure of Unpublished Price Sensitive Information (‘UPSI’) as defined under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“SEBI Insider Trading Regulations”) would be done promptly when credible and concrete information is available for making the same generally available.
- 2.2 The Company will endeavour to make uniform and universal dissemination of UPSI and will avoid making selective disclosure once the information is ready to be made generally available. Material events will be disseminated as mandated by the stock exchanges in Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) as amended from time to time.
- 2.3 In case there has been any instance of inadvertently making a selective disclosure of UPSI, then the information will be promptly disseminated either in the form of notification to the stock exchanges, press releases or upload of information on the website of the Company save and except disclosures made pursuant to 2.4 below.
- 2.4 UPSI handling will be on a need to know basis only for legitimate purposes as determined by its policy in this regard (Enclosure I) or performance of duties in discharge of legal obligations.
- 2.5 The information released to the stock exchanges will also be placed on the website of the Company for improving investor access to such public announcements.

3. Overseeing and co-ordinating disclosure

- 3.1 The Chief Executive Officer/Managing Director of the Company who is also designated as the Corporate Disclosure Officer (CDO) to oversee corporate disclosure will be the Chief Investor relations Officer ("CIO") to deal with dissemination of information and disclosure of UPSI.
- 3.2 The CIO shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of UPSI to stock exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedure.
- 3.3 Information disclosure/dissemination may normally be approved in advance by the CIO.
- 3.4 If information is accidentally disclosed without prior approval, the person responsible may inform the CIO immediately, even if the information is not considered price sensitive.

4. Responding to market rumours

- 4.1 Any queries or requests for verification of market rumours by the stock exchanges should be forwarded immediately to the CIO, who shall decide on the response/clarification.
- 4.2 Employees of the Company should not respond to enquiries from the stock exchanges, the media or others unless authorised to do so by the CIO.
- 4.3 The CIO shall decide whether a public announcement is necessary for verifying or denying rumours and then make the disclosure.
- 4.4 The Company will, subject to non-disclosure obligations, aim to provide appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities.
- 4.5 As a general practice, if the rumour appears in a responsible media channel which has reasonably wide audience and rumour can have material impact on pricing of Securities, then the Company would immediately make a proper announcement to present the correct position.

5. Timely Reporting of shareholdings/ownership and changes in ownership

5.1 Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Securities and Exchange Board of India Act, 1992 and the SEBI LODR Regulations shall be made in a timely and adequate manner.

6. Disclosure/dissemination of Price Sensitive Information with special reference to analysts and institutional investors

The guidelines given hereunder shall be followed while dealing with analysts and institutional investors:-

(i) Only public information to be provided

Only generally available, public information should be provided to analysts/research persons.

(ii) Recording of discussion

In order to avoid misquoting or misrepresentation, it is desirable that at least two representatives of the Company be present at meetings with analysts, brokers or institutional investors and the discussion should preferably be recorded.

(iii) Handling of unanticipated questions

Sufficient care should be exercised while dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. UPSI should not be disclosed to analysts in response to such questions before such information becomes generally available.

(iv) Prompt release of Information

The Company will make transcripts or records of the proceedings of the meetings with analysts and investor relation meetings available on the website of the Company promptly. The Company may also consider live webcasting of analyst meets.

(v) Interaction during Trading Window Closure period

During the Trading Window Closure period, Directors, Officers and other employees of the Company should refrain from interaction with the media/analysts/investors.

7. Medium of disclosure/dissemination

- [i] Disclosure/ dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination, which will include press release, filings with stock exchanges, dissemination on website etc.
- [ii] CIO shall ensure that disclosure to stock exchanges is made promptly.
- [iii] Company may also facilitate disclosure through the use of its dedicated internet website.
- [iv] Company's website may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions & answers.
- [v] The information filed by the Company with the stock exchanges under continuous disclosure requirements may be made available on the Company's website.

8. Maintenance of a structured database

The Chief Financial Officer shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom UPSI is shared for legitimate purposes along with Permanent Account Number or any other Identifier authorized by law where PAN is not available and such other information as may be prescribed from time to time, containing the details as required under the SEBI Insider Trading Regulations and further ensure that such database is maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the same.