

## DUNCAN ENGINEERING LIMITED

### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

#### 1. INTRODUCTION

Regulation 8(1) read with Schedule A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "**Regulation**") requires the Board of Directors of every listed company to formulate and publish on its official website, a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the '**Code**'). The Regulation intends to require companies to disseminate 'Unpublished Price Sensitive Information' (hereinafter referred to as 'UPSI') universally and not selectively.

The Company intends to follow the best practices, compliant with Applicable Laws, in the matter of disclosure of UPSI. Accordingly, this Code has been adopted by the Board of Directors of the Company at its meeting held on May 11, 2015. Further, owing to the amendments brought in by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, being effective from April 01, 2019, the respective amendments incorporated in the Code was adopted by the Board of Directors by Circular Resolutions dated April 1, 2019.

The revised Code shall be effective from April 01, 2019. This Code can be modified/amended/alterred by Board of Directors of the Company except in case of any statutory modification or amendment or alteration of the provisions of the Regulations, which shall be deemed to be implemented in the said Code immediately on such notification for modification/amendment/alteration etc. coming into effect.

#### 2. DEFINITIONS

**"Applicable Law"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any statute, law, regulations including any modification and amendments there to, ordinance, rule, judgment, order, decree, bye-law, clearance, directives, guidelines, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and/or guidance notes as may be applicable in the matter of trading by an Insider.

**"Connected Person"** shall mean such persons as defined under the Regulations.

**"Chief Investor Relations Officer"** means such senior officer of the Company appointed by the Board of Directors to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner.

The name and designation of such officer shall be published on the website of the Company.

**“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.

**“Insider”** means any person who is connected person or in possession of having access of UPSI.

**“Selected Group of Persons”** means securities analysts or selected institutional investors, brokers and dealers or their associated persons, investment advisers and institutional advisers and institutional managers, investment companies, hedge funds or any other person.

**“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and “trade” shall be construed accordingly.

**“Unpublished Price Sensitive Information”** means any information, relating to a 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, delistings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- v. changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor; *and*
- (vi)** change in rating(s), other than ESG rating(s);
- (vii)** fund raising proposed to be undertaken;
- (viii)** agreements, by whatever name called, which may impact the management or control of the company;
- (ix)** fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- (x)** resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
- (xi)** admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- (xii)** initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- (xiii)** action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- (xiv)** outcome of any litigation(s) or dispute(s) which may have an impact on the company;

- (xv)** giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- (xvi)** granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of sub-clause (ix):

a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.

### 3. Sharing of UPSI for legitimate purpose<sup>1</sup>

- Till the UPSI becomes a generally available information, UPSI can be shared only on a need-to-know basis and for legitimate purpose as provided hereunder and not to evade or circumvent the prohibitions of the Regulations:
  - Sharing of relevant UPSI with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to UPSI;
  - Sharing of relevant UPSI with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of the UPSI;
  - Sharing of relevant UPSI with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
  - Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the company's securities on the basis of such information;
  - Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.

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<sup>1</sup> the term "legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with 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 these regulations.

- Whether this information is required to be shared? Why the information is required by the recipient? Response to the two queries shall be well recorded by the concerned Designated Person sharing the UPSI and shall be forwarded to the Compliance Officer.
- Before sharing of the UPSI, the concerned Designated Person sharing such UPSI shall comply with the requirements in relation to circumstances and procedure for bringing people 'inside' as provided in Insider Trading Code.

#### **4. FUNCTIONS OF THE CHIEF INVESTOR RELATIONS OFFICER**

- To deal with universal dissemination and disclosure of UPSI.
- To determine as to whether any particular information amounts to UPSI.
- To provide advice to any Insider as to whether any particular information may be treated as UPSI.
- To determine the response, if any, of the Company to any market rumour in accordance with this Code.
- To deal with any query received by any insider about any UPSI.

If an Insider receives a query about any UPSI related to the Company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with Applicable Law and this Code in consultation with the Managing Director/ Chief Executive Officer of the Company.

#### **5. DISCLOSURE POLICY**

The Company shall ensure :

- Prompt public disclosure of UPSI that would impact price discovery, no sooner than credible and concrete information comes in to being in order to make such information generally available.
- Uniform and universal dissemination of UPSI and to avoid selective disclosure.
- If an Insider 'selectively, inadvertently or otherwise' discloses any UPSI to any person including the Selected Group of Persons then prompt dissemination of the same shall be made in order to make the information generally available. The Chief Investor Relations Officer shall be promptly informed, of any such inadvertent or unintentional selective disclosure who in consultation with the Compliance Officer and the Managing Director and/or Chief Executive Officer shall take appropriate steps in this regard.

Subject to applicable law, methods of Public disclosure of information of UPSI to ensure uniform distribution shall include either of the following:-

- Distribution through Press Releases in newspapers or media including electronic media.
- Filing with Stock Exchanges.
- Any other method that ensures wide distribution of the news such as webcasts and webinars.
- Uploading of the information on the website of the Company.

## **6. THIRD PARTY DEALINGS**

The Chief Investor Relations Officer shall ensure that best practices of making transcripts or records of proceeding of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made are developed by the Company.

## **7. VERIFICATION OF MARKET RUMOURS**

The Chief Investor Relations Officer shall endeavor to provide appropriate and fair responses to the queries in relation to UPSI including any news report. The Company and the Chief Investor Relations officer will maintain 'No Comment' policy on market rumours except when requested by regulatory authorities to verify such rumours.

## **8. HANDLING OF UPSI ON NEED TO KNOW BASIS**

The Company shall handle UPSI only on a need to know basis. UPSI shall be provided only when needed for performance of duties, legitimate purpose or discharge of legal obligations. All insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the above mentioned purpose.

## **9. DISCLOSURE OF THIS CODE ON PUBLIC DOMAIN**

- This Code shall be published on the Official Website of the Company.
- This Code and every amendment made thereto, shall be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

By order of the Board

Sd/-

Akshat Goenka  
Managing Director

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