



**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE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



UKB ELECTRONICS LIMITED

1. Introduction/Background/ Purpose of the Code:

- 1.1. The Securities and Exchange Board of India (“SEBI”) vide Gazette notification no. LAD-NRO/GN/2014-15/21/85 dated 15th January 2015 issued SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI PIT Regulations**”).
- 1.2. Pursuant to Regulation 8 of the SEBI PIT Regulations, UKB Electronics Limited (“UKB” or the “Company”) is required to formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information (“UPSI”) (“Fair Disclosure Code”).
- 1.3. The board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A of SEBI PIT Regulations, without diluting the provisions of these regulations in any manner. Every such code of practices and procedures for fair disclosure of unpublished price sensitive information and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed.
- 1.4. The board of directors of every listed company and the board of directors or head(s) of the organisation of every intermediary shall ensure that the chief executive officer or managing director shall formulate a code of conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B of SEBI PIT Regulations (in case of a listed company), without diluting the provisions of these regulations in any manner.
- 1.5. Accordingly, the Board of Directors of UKB has formulated and adopted this Fair Disclosure Code.

2. Scope

- 2.1. UKB endeavors to preserve the confidentiality of UPSI and to prevent its misuse. To achieve these objectives, and in compliance with the PIT Regulations, UKB has adopted this Fair Disclosure Code.
- 2.2. This Fair Disclosure Code ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.
- 2.3. UKB is committed to timely and accurate disclosure based on applicable legal and regulatory requirements.
- 2.4. The SEBI PIT Regulations for the time being in force inter alia prohibits (i) communication of Unpublished Price Sensitive Information, (ii) procurement of price sensitive information and (iii) trading in securities when in possession of Unpublished Price Sensitive Information. The SEBI PIT Regulations under regulation 9 requires every listed Company to enact and adopt a Code which lays down the internal procedures for regulating, monitoring and reporting of trading by Designated person(s) and their Immediate Relatives. Accordingly, the Code adopted by the Board of Directors is enclosed herewith. This Code shall come into effect immediately and shall replace any other code made in this regard.

3. Terms and Definition:

Definitions in this Code, unless the context otherwise requires:

- 3.1. “**Chief Investor Relations Officer**” shall mean the officer appointed by UKB Electronics Limited (“UKB” or the “Company”) as chief investor relations officer pursuant to Schedule A read with Regulation 8(1) of the Insider Trading Regulations.
- 3.2. “**Code**” means this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as may be modified from time to time.
- 3.3. “**Designated Person**” shall have the meaning as specified in the Code of Conduct to Regulate, Monitor and Report Trading by Insiders in the Securities of UKB.
- 3.4. “**Generally Available Information**” shall have the meaning as defined in the Insider Trading Regulations, as per which, it means information that is accessible to the public on a non-discriminatory basis. For avoidance of doubt, it is clarified that information is considered to be generally available if it is published on the website of National Stock Exchange of India Limited / BSE Limited and / or the Company’s website.

- 3.5. **“Insider Trading Regulations”** mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- 3.6. **“SEBI”** means the Securities and Exchange Board of India.
- 3.7. **“Unpublished Price Sensitive Information” or “UPSI”** shall have the meaning as defined in the Insider Trading Regulations, as per which, it means any information, relating to the 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 include but not be restricted to, information relating to the following:
- (i) financial results;
 - (ii) dividends;
 - (iii) changes 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;
 - (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.]

It is intended that information relating the Company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

Words and expressions used but not defined in this Fair Disclosure Code shall have the same meaning assigned to them in the SEBI PIT Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

4. Policy Details

4.1. Chief Investor Relations Officer

- (i) Every listed company, intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.
- (ii) “Chief Investor Relations Officer” means the Company Secretary of the Company or such other 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 to the stock exchanges, analysts, shareholders and media.
- (iii) Information disclosure/ dissemination needs to be approved in advance by the CIRO.
- (iv) If information is accidentally disclosed without prior approval, the person responsible or the person who discovers or comes in contact with such accidentally disclosed information should inform the CIRO immediately, who in turn will promptly inform the Managing Director & Chief Executive Officer for further action.
- (v) The Chief Investor Relations Officer shall take prior approval of the Managing Director & Chief Executive Officer or any other appropriate authority, as maybe decided by the Board, before dissemination / disclosure of UPSI.

4.2. Principles of Fair Disclosure

To adhere to the principles as mentioned in Chapter IV to the SEBI PIT Regulations, UKB shall ensure the following:

- (i) Promptly disclose publicly any UPSI that would impact price discovery no sooner than credible and concrete information comes into being so that such information is generally available.
- (ii) Uniformly and universally disseminate in a timely manner UPSI to avoid selective disclosure by communicating the same to the stock exchange(s) and disclosing the same on its website before releasing such information to media or analysts.
- (iii) Employees of UKB shall not respond under any circumstances to enquiries from the Stock Exchanges, the media or others unless authorized to do so by the Managing Director & Chief Executive Officer (MD&CEO) or any other officer as may be decided by the Board of Directors of UKB (including any committee of the Board of Directors of UKB) in this regard.
- (iv) Make a public announcement with respect to any matter only after UKB has taken a final or definitive decision. When there are rumors or news reports and UKB is queried by the regulatory authorities, UKB will provide appropriate and fair reply by accepting, denying, or clarifying the same. UKB will not be required to make disclosures in cases where the proposal is still in progress, or there are impending negotiations or incomplete proposals, the disclosure of which will not be appropriate and could prejudice UKB’s legitimate interests.
- (v) Promptly disseminate UPSI to the market through the stock exchanges in case UPSI gets disclosed selectively, inadvertently or otherwise to a section of the market.
- (vi) The board of directors of every listed company and the board of directors or head(s) of the organisation shall ensure that the Chief Executive Officer or the Managing Director or the Chief Investor Relations Officer ensures compliance with regulation 9 and sub-regulations (1) and (2) of the SEBI PIT Regulations.
- (vii) The Company communicates with its Institutional shareholders through meetings with analysts and discussions between fund managers and management. The Company also participates at investor

conferences from time to time. All interactions with institutional shareholders, fund managers, research associates and analysts should be based on generally available information that is accessible to the public on a non-discriminative basis and information shared with such persons should not include UPSI. The CIRO shall develop 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.

5. The Policy for determination of “Legitimate Purposes” is as below:

- 5.1. The board of directors of a listed company shall make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8 of the SEBI PIT Regulations. The term “Legitimate Purpose” shall for the purpose of this Code and the SEBI PIT Regulations, includes sharing of UPSI 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 the SEBI regulations.
- 5.2. Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered as an “Insider” for purposes of this Policy and the SEBI Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with this Policy.
- 5.3. The Company shall adhere to the below Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information:
 - (a) 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.
 - (b) Uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
 - (c) Designation of the compliance officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
 - (d) Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed
 - (e) Selectively, inadvertently or otherwise to make such information generally available.
 - (f) Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
 - (g) Ensuring that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
 - (h) 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.
 - (i) Handling of all Unpublished Price Sensitive Information on a “need-to- know” basis.

6. Sharing of UPSI for Legitimate Purposes

- 6.1. No Insider shall communicate, provide, or allow access to any UPSI, relating to the Company or Securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 6.2. Handle all price-sensitive information on a need-to-know basis by creating suitable safeguards to avoid UPSI becoming available to any person who is not required to have access to such information. 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 UKB in accordance with this Code of Fair Disclosure and the SEBI PIT Regulations.
- 6.3. No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or

Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

6.4. Notwithstanding anything contained in this Code, any UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would: –

- (i) entail an obligation to make an open offer under the Takeover Regulations where the Board of Directors are of the informed opinion that sharing of such information is in the best interests of the Company;
- (ii) not attract the obligation to make an open offer under the Takeover Regulations but where the Board of Directors are of the informed opinion that sharing of such information is in the best interests of the Company and the information that constitutes UPSI is disseminated to be made Generally Available Information at least 2 (two) Trading Days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

For purposes of sub-clause 6.4 above, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-clause 6.4 and shall not otherwise, Trade in Securities of the Company when in possession of UPSI.

7. Maintenance of Structured Digital Database:

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under the SEBI Regulations along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN, is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The database shall be maintained for a minimum period of 8 years or in case of receipt of any information regarding any enforcement or investigation proceedings, the relevant information shall be preserved till the completion of such proceedings.

8. Restriction on Trading in Securities while in possession of UPSI

No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Explanation –

When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

- (i) the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of the SEBI PIT Regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under

sub-regulation (3) of regulation 3 of the SEBI PIT Regulations.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
- (v) in the case of non-individual insiders: –
 - (a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - (b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- (vi) the trades were pursuant to a trading plan set up in accordance with regulation 5 of SEBI PIT Regulations.

Where any such Investors Communication is likely to be a Material Information, all persons who are involved in the preparation of or are privy to such Investors Communication, shall not trade in the securities of the Company until the expiry of 48 hours after the same is released to the Stock Exchanges or as the case may be, until the expiry of 48 hours after the transaction is cancelled or indefinitely postponed, whether or not the Trading Window is closed during such period in terms of the Insider Trading Code.

9. Amendments/ Policy Review:

- 9.1. This Fair Disclosure Code and Policy for determination of Legitimate Purpose is subject to review by the Board of Directors as and when deemed necessary. The Board of Directors of UKB may amend the policy from time to time depending upon the requirements of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Audit Committee shall review compliance with the provisions of the SEBI PIT Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- 9.2. Every such amendment shall be promptly intimated to the stock exchanges where the securities are listed.
