



Permanent Magnets Ltd.

**CODE OF PRACTICES & PROCEDURE FOR
FAIR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION**

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INTRODUCTION:

Every company whose securities are listed on a Stock Exchange is required to formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information in adherence to the principles set out in Schedule A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations").

SCOPE:

The purpose of this Code is to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Securities of Permanent Magnets Limited (the "**Company**") and clearly outline the procedures and practical guidelines that would be followed by the Company for consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive Information or such other information as required under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.

DEFINITIONS:

a) Unpublished Price Sensitive Information (UPSI)

Unpublished Price Sensitive Information (UPSI) means any information, relating to the Corporation or its securities, directly or indirectly, that is not generally available and which upon becoming generally available is likely to materially affect the price of the securities of the Corporation and shall generally include but not be limited to information relating to the following:

- Financial results;
- Declaration of dividends (interim and final);
- Changes in capital structure;
- Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- Changes in key managerial personnel; and
- Such other material event/ information as included in the Policy of Determination of Materiality and which satisfies the criteria mentioned above.

b) Legitimate purpose

Legitimate purposes shall include 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 said Regulations.

- c) Other terms not specifically defined here shall have the same meaning as assigned under the said Regulations.

PRINCIPLES OF FAIR DISCLOSURE:

The following principles shall be followed at all times in relation to any disclosure of Unpublished Price Sensitive Information at any forum pursuant to the requirements of the Code or applicable laws:

1. The Company shall make prompt public disclosure of unpublished price sensitive information that would impact price discovery as soon as credible and concrete information comes into being and will make the same information generally available.
2. The Company shall ensure that unpublished price sensitive information is disseminated uniformly and universally and shall avoid selective disclosure and disclosing the same on its website.
3. The Company has designated Company Secretary as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
The information disclosure / dissemination shall normally be approved by the Chief Investor Relations Officer or by such other officer as approved by the Board.
4. If any price sensitive information is disclosed selectively, inadvertently or otherwise without prior approval, the Chief Investor Relations Officer on having knowledge of such partial dissemination may upload the information on the website of the Company and if required intimate the Stock Exchanges to ensure that the unpublished price sensitive information is generally available.
5. The Company shall lay down procedures for responding to any queries on news reports and requests for verification of market rumour by regulatory authorities. The response to these queries shall be appropriate and fair.

The Company is not under an obligation to respond to market rumors or speculations. However if there are any media reports carrying such information which is largely accurate and there are factors to believe that the information underlying the speculation or rumour or press report is based on insider information, which has been leaked, the Company in such instances shall be under the obligation to respond to the same and make the insider information generally available.

If the market information or press report is false or inaccurate, the company is not under an obligation to make any announcement / negative disclosures. However if the stock exchange were to make a query to clarify the position, the company must make a formal announcement to the stock exchange and shall not selectively disclose any information / make a negative disclosure.

6. The Company shall provide only information that is generally available with the analysts/ research persons / large investors. The Company shall ensure that no inside information is given when answering an analyst's questions or reviewing an analyst's draft report. It is inappropriate for a question to be answered, or draft report corrected, if doing so involves providing inside information. When analysts visit the company, care shall be taken to ensure they do not obtain inside information. No analyst, investor or journalist should receive any selective release of inside information.
7. The Company shall strive to 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. In order to avoid misquoting or misrepresentation, at least two company representatives shall be present at meetings with analysts / research personnel / large investors. The Company shall notice of unanticipated questions and give a considered response later. If the answer includes unpublished price sensitive information, the same shall be released to the public as the transcripts shall be uploaded on the website of the Company.
8. The Company shall disclose / disseminate information through various media so as to achieve maximum reach and quick dissemination. The Company shall facilitate disclosure through the use of its dedicated Internet website. The information filed by the Company with the stock exchanges under continuous disclosure requirement may also be made available on the company website.
9. Unpublished price sensitive information shall be handled on a "need to know" basis i.e. unpublished price sensitive information shall be disclosed only to those who need the information in performance of their duties or discharge of legal obligations or in furtherance of legitimate purposes, provided that such sharing has not been carried out to evade or circumvent the prohibition of the Regulations.
10. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purposes of the Regulations and due notice shall be given to such person(s) to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations.

The "Policy for determination of "legitimate purposes" is as below:

- UPSI can be shared only on need-to-know basis and for legitimate purposes and not to evade or circumvent the prohibitions of the Regulations.
- UPSI can be shared in ordinary course of business only if the same is necessary to be shared in order to complete any task/activity/deal

including any other assignment for furtherance of the business interests of the company.

- Sharing of Unpublished Price Sensitive Information for any other genuine or reasonable purpose as may be determined by the Managing Director or CIRO or CFO.
- Sharing of Unpublished Price Sensitive Information with a court of law or any governmental authority or a regulatory body on the basis of any order issued by them.
- Employees must not, under any circumstances, respond to inquiries from the stock exchanges, the media or others, unless they are duly authorized to do so by the Board of Directors.
- Investor presentations are uploaded on the website of the Company.

11. To prevent leakage of Unpublished Price Sensitive Information, employees and directors shall:

- Not discuss Unpublished Price Sensitive Information in public places where such Unpublished Price Sensitive Information may be overheard or participate in, host or link to internet chat rooms, online social networking sites, newsgroup discussions or bulletin boards which discuss matters pertaining to the Company's activities or its securities;
- Not carry, read or discard Unpublished Price Sensitive Information in an exposed manner in public places;
- Not discuss Unpublished Price Sensitive Information with any other persons, except as required in furtherance of legitimate purposes, performance of his or her duties or discharge of legal obligations;
- Advise, at the commencement of any meeting where Unpublished Price Sensitive Information is likely to be discussed, the other attendees of such meeting, that they must not divulge the Unpublished Price Sensitive Information;
- Ensure that the sharing of Unpublished Price Sensitive Information, wherever required, is done by way of the Company's email system on a secured file-sharing platform within the Company's internal network.
- Ensure that subsequent queries/ clarifications shall be responded to by way of official e-mail, meetings, over the phone but shall be addressed only to concerned persons. Communication which entails Unpublished Price Sensitive Information via WhatsApp or other social networking applications shall not be used.

The Company shall ensure that all Employees handling Unpublished Price Sensitive Information are cautioned to share such Unpublished Price Sensitive Information with other persons only on a need-to-know basis.

AMENDMENTS AND MODIFICATION:

This Code shall be reviewed from time to time and any amendments or modifications thereto shall be subject to the review and approval of the Board.

In the event that any provision of this Code conflicts with any law, rule or regulation that is in force for the time being, the said law, rule or regulation that is in force for the time being shall take precedence over the conflicting provision of the Code. However, such conflict between the provisions of the Code and any law, rule or regulation that is in force for the time being shall in no way affect or impair the validity, legality and enforceability of the remaining provisions of the Code.