

GEM SPINNERS INDIA LIMITED

CODE OF FAIR DISCLOSURE

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Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

1. Preamble

The Securities and Exchange Board of India (SEBI) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations) on January, 2015, which is effective from May 15, 2015. Pursuant to Regulation 8 of the Regulations, Gem Spinners India Limited, (herein after called “the Company”) is required to formulate a code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information (Fair disclosure code). Accordingly, a *Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information* was formulated by the Company.

2. Scope

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. To achieve these objectives, and in compliance with the aforesaid Regulations, the Company has adopted this Fair Disclosure Code.

3. Terms and Definition:

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the SEBI (Prohibition of Insider Trading) Regulations, 2015 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. Principles of Fair Disclosure:

A code of practices and procedures for Fair Disclosure of Price Sensitive Information for adhering each of the principles is set out below:

- a. The company shall ensure prompt disclosure of unpublished price sensitive information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b. The company shall make uniform and universal dissemination of UPSI to avoid selective disclosure. Upon the information being submitted with the Stock Exchanges, the information shall be deemed to be generally available and shall no longer be treated as UPSI.
- c. The Company Secretary has been appointed as the Chief Investor Relation officer for the purpose of the aforesaid SEBI Regulation and for handling the dissemination of information and disclosure of UPSI. In the absence of the Company Secretary, such other officer as may be authorized by the Board can act as the Chief Investor Relation Officer.
- d. The Company shall promptly disseminate the UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e. The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by Regulatory Authorities.
- f. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- g. The Company shall adopt 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.

Details relating to quarterly performance and financial results are disseminated to the shareholders through the press releases and uploaded on the Company's website.

- h. The Company shall handle all UPSI 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 for discharging legal obligations in relation to the Company. The "Policy for determination of "legitimate purposes" is as below:

For determining legitimate purposes, the below mentioned policy shall be adhered to:

- a) UPSI can be shared only on a need-to-know basis and for legitimate purposes and not to evade or circumvent the prohibitions of the Regulations.
- b) UPSI can be shared in the 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.
- c) Subject to conditions prescribed in (a) and (b) above, UPSI can be shared with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. in respect of the proposed assignment or in order to avail professional services from them or other business purposes, as the case may be. UPSI can also be shared in case the same is mandatory for performance of duties or for discharging legal obligations.

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" for purposes of the Regulations.

5. The Fair Disclosure Code is subject to review by the Board of Directors as and when deemed necessary.