

**LOYAL TEXTILE MILLS LIMITED**



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UNPUBLISHED PRICE SENSITIVE INFORMATION**

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**(Approved by the Board of Directors in their meeting held on 30<sup>th</sup> May 2019)**

# LOYAL TEXTILE MILLS LIMITED



## INTRODUCTION

This code under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (herein after referred as “the Regulations”) which came into effect from May 15, 2015 and amended on December 31, 2018.

## SCOPE

1. Loyal Textile Mills Limited (herein after referred as “the Company”) endeavours to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent its misuse. To achieve these objectives, and in compliance with the Regulations, the company has adopted this Fair Disclosure Code.
2. This Code ensures timely and adequate disclosures of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.
3. The Company is committed to disclose timely and accurate disclosures based on the applicable regulatory requirements.

## PRINCIPLES OF FAIR DISCLOSURE

To adhere the principles as mentioned in Schedule A to the Regulations, the Company shall:

1. 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.

## **LOYAL TEXTILE MILLS LIMITED**



2. Uniformly and universally disseminate in a timely manner UPSI to avoid selective disclosure by communicating same to the stock exchange and disclosing the same on Company's website.
3. Put on Company's website Quarterly and Annual Financial Results and all Investor presentations pertaining to such financial results for reference of the general public.
4. Designate a Senior Officer as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
5. Promptly disseminate UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
6. Provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
7. Ensure that information shared with analysts and research personnel is not UPSI.
8. 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.
9. 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 the Company.

# LOYAL TEXTILE MILLS LIMITED



## **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

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

1. UPI can be shared with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants in the ordinary course of business.
2. UPI can be shared only on a need- to know basis and for a legitimate purposes and not to evade or circumvent the prohibitions of the Regulations.
3. Any person in receipt of UPI pursuant to legitimate purpose shall be considered an “insider” for purposes of the regulations.

The Compliance Officer of the Company has been designated and act as Chief Investor Relations Officer of the Company to deal with dissemination of information and disclosure of UPI.

## **VIOLATIONS**

1. Sharing of UPI, other than in compliance with this Code, the Code of Conduct or the PIT Regulations, would be construed as a violation. In case of any violation, disciplinary action would be taken by the Company. The onus lies on the insider to prove to the contrary. Further, the Company shall intimate SEBI about such violations and further directions may be issued by SEBI.

## **LOYAL TEXTILE MILLS LIMITED**



2. In certain circumstances, sharing of UPSI may be construed as a violation of the PIT Regulations even while it is in pursuit of business interests of the Company. Further, in cases where a person who possesses UPSI is uncertain of whether the UPSI can be shared for a particular purpose, such person may seek clarifications from the Compliance Officer before sharing the information.

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

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