



May 17, 2025

To

BSE Ltd, Corporate Relationship Department, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001	National Stock Exchange of India Ltd. Listing Department, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051
Scip Code: 544057	Symbol: HAPPYFORGE

Sub: Amended 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)'

Dear Sir/Ma'am,

Pursuant to the provisions of Regulation 8(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, please find enclosed, a copy of the amended Code of Practices and Procedures for Fair Disclosure of UPSI ('Code for Fair Disclosure'), as approved by the Board of Directors of the Company, at its meeting held on May 17, 2025. The amended code is attached herewith.

Kindly take the above information on record.

Thanking you,

For Happy Forgings Limited

(Bindu Garg)
Company Secretary & Compliance Officer,
M.N F6997
Happy Forgings Limited
B-XXIX-2254/1, Kanganwal Road,
P O Jugiana, Ludhiana- 141120

Regd Office :



+91 161 251 0421
+91 161 251 0422



info@happyforgingsltd.com
www.happyforgingsltd.com



BXXIX-2254/1, Kanganwal Road,
P. O. Jugiana, Ludhiana, Punjab,
CIN L28910PB1979PLC004008

India – 141120

HAPPY FORGINGS LIMITED

CODE OF PRACTICES AND PROCEDURES OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Version	Approval date	Description
Version 1	December 2, 2023	Original Policy
Version 2	February 7, 2025	Amended
Version 3	May 17, 2025	Amended pursuant to SEBI (PIT) regulations dtd 12th March 2025

CODE OF PRACTICES AND PROCEDURES OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Pursuant to Regulation 8 (1) read with Schedule A of the SEBI [Prohibition of Insider Trading] Regulations, 2015)

INTRODUCTION

This Code of practices and procedures of fair disclosure of unpublished price sensitive information (hereinafter referred to as the “Code”) is framed pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”), as amended from time to time. The Code will be followed by the Company with an intent to adhere to each of the principles set out in Schedule A to the Regulations without diluting the provisions of the Regulations in any manner.

The Code also includes “Policy for determination of legitimate purposes” which is required to form a part of the Code as stipulated in Regulation 3(2A) of SEBI(PIT)Regulations, 2015.

OBJECTIVE

The Company endeavors to preserve the confidentiality and prevent the misuse of unpublished price sensitive information (UPSI). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Every Director, Officer, Designated Person of the Company has a duty to safeguard the confidentiality of all such information which he/ she obtain in the course of performance of official duties. Directors, Officers and Designated Person of the Company should not use their position to gain personal benefit.

DEFINITIONS

❖ **“Insider”** means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” and due notice shall be given to such persons to maintain

confidentiality of such unpublished price sensitive information in compliance with these regulations.

It is clarified that any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for the purpose of this code.

- ❖ **“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.
- ❖ **“Need to know”** means the Price Sensitive Information shall be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- ❖ **“Non-public Information”** information is “non-public” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors by distribution to Stock Exchanges where Company’s shares are listed or through such media as press and television, journals or similar broad distribution channels or the press media in India and abroad. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.
- ❖ **“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, delisting, disposals and expansion of business and such other transactions; and
 - (v) changes in key managerial personnel(KMP)
 - (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.”

Other terms which are not specifically defined here shall have the same meaning as assigned under the SEBI Regulations.

Schedule A

The Code of practices and procedures of fair disclosure of unpublished price sensitive information that will be followed by the Company is mentioned below:

- The Company shall ensure 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.
 - The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
 - The Compliance Officer shall be responsible for dealing with dissemination of information and disclosure of unpublished price sensitive information.
 - The Company shall ensure prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
 - The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
 - The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
 - The Company shall ensure 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.
 - The Company shall handle all unpublished price sensitive information on a need-to-know basis.
- **CONFIDENTIAL INFORMATION AND UNPUBLISHED PRICE SENSITIVE INFORMATION**
 - ✓ Directors and employees shall maintain strict confidentiality of business information and all Unpublished Price Sensitive Information of the Company.
 - ✓ The business information and all Unpublished Price Sensitive information should not be communicated to any person except in the course of performance of duties or discharge of legal obligations.
 - ✓ The Unpublished Price Sensitive Information shall be handled on a “need to know” basis i.e., price sensitive information shall be disclosed only to those within the

Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

- ✓ Files containing confidential information shall be kept secure. Computer files shall have adequate security of login and password as per the Company's IT Policy.
- ✓ All employees must consult the Marketing Department of the Company and/or the Compliance Officer and /or Legal Department before communicating with the media or public. The Company's communication policy with the public will have to be adhered to at all times.

- **DEALING IN CASE OF SUSPECTED LEAK OR LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI):**

- **Inquiry for leakage of UPSI**

All UPSI shall be handled on a need to know basis only. In case of any UPSI is proposed to be provided, the person proposing to provide the information shall consult Chief Financial Officer /Company Secretary/Chairman and Managing Director in advance.

In case any UPSI is leaked or is suspected to be leaked by any insider, the Ethics & Compliance Task Team consisting of Company Secretary, Chief Financial Officer and Whole-time Director of the Company will investigate the matter and collect / gather the evidences and will report to the Chairman of Audit Committee. Chairman of the Audit Committee will thereafter convene the Meeting of the Audit Committee depending on severity of the matter.

- **Process for inquiry**

All the matters concerning leak of UPSI or suspected leak of UPSI, will be thoroughly investigated by the Company Officer and may at his discretion, consider involving external investigators for the purpose of the investigation.

The Company Officer may ask the concerned insider to remain present for investigation, discussion etc. and for such investigation, he may ask for personal Bank Account Statement or such other details or documents as it deems fit.

- **Powers of the Compliance Officer**

The powers of Compliance Officer for inquiry under this clause are as under.

- To investigate the matter
- To ask concerned insider for personal presence, examination, cross examination etc.
- To call for personal information/documents from insider
- To file complaint, if required, before police authority / Designated cell under Information Technology Act, 2000
- To retain the documents gathered during investigation.

- To report to the Audit Committee

➤ **Report to the Audit Committee for appropriate action**

The Compliance Officer will report to the Chairman of the Audit Committee and upon receipt of report by Chairman, he will convene Meeting of the Audit Committee, depending on severity of the matter. The Audit Committee based on such report decides the suitable action including but not limited to withholding of salary /termination of employment / monetary penalty.

• **DIGITAL DATABASE OF RECIPIENT OF UPSI**

➤ The Compliance Officer shall be responsible to maintain a Structured Digital Database of such persons or entities as the case may be with whom information is shared under this Regulation, which shall contain the following information:

- Name of such recipient of UPSI;
- Name of the Organization or entity to whom the recipient represent
- Postal Address and E-mail ID of such recipient
- Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.
- Nature of UPSI

➤ The Compliance Officer shall also be responsible to ensure that such databases shall be maintained internally with adequate internal controls and checks such as time stamping and audit trials to ensure non- tampering of such database.

➤ Designated Persons shall disclose names and PAN or other identifier authorized by law, of the following persons on annual basis and as and when the information changes:

- Designated person him/herself
- Immediate relatives of Designated Person
- Persons with whom such Designated Person(s) has a material financial relationship
- Phone/cell numbers which are used by them

Explanation: The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding Twelve (12) months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

The Board shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of

receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

- **AMENDMENTS**

The Board of Directors will review the Code and may amend it as and when required. The amended policy will be intimated to the stock exchanges promptly.

- **DISSEMINATION OF POLICY**

Policy shall be available on the website of the Company for such minimum period as mandated by the provisions of Listing Regulations and thereafter as per the archival policy of the Company.

POLICY FOR DETERMINATION FOR LEGITIMATE PURPOSES FOR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

The Company believes in timely and adequate disclosure of price sensitive information legitimate purposes. The following norms shall be followed for disclosure of Price Sensitive Information.

- a. The Company Secretary is designated as the Compliance Officer to administer the code of conduct and other requirements under these regulations.
- b. The Compliance Officer shall after clearance by the Managing Director furnish Price Sensitive Information to the Stock Exchanges.
- c. The quarterly financial information of the Company shall be hosted in the web site of the Company after the information is furnished to the Stock Exchanges.
- d. The Managing Director responsible for Investor Relations shall oversee and carry out disclosure of price sensitive information to Stock Exchanges, Analysts, Shareholders and media. He shall be responsible for ensuring that the Company complies with continuous disclosure requirements.
- e. Disclosure/dissemination of information may be approved in advance by the Managing Director or the Compliance Officer as the case maybe.
- f. If information is accidentally disclosed without prior approval, the person making such disclosure shall immediately inform the Managing Director, even if the information is not considered price sensitive.
- g. The Compliance Officer in consultation with the Managing Director shall respond to queries or requests from Stock Exchanges concerning market rumours.
- h. The Managing Director shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.
- i. The Compliance Officer shall make disclosure of shareholdings / ownership by major shareholders and also make disclosure of changes in ownership as required under the Stock Exchange listing agreement and / or under any rule / regulation made under the Act.
- j. All Directors, Officers and Employees of the Company shall comply with the following guidelines while dealing with analysts and institutional investors:
 - i. Only public information shall be provided to the analyst / research persons / large investors like institutions. Alternatively, the information so given should be simultaneously made public at the earliest.

- ii. In order to avoid misquoting or misrepresentation, the Compliance Officer and one other representative of the Company shall be present at Meetings with Analysts, Brokers or Institutional Investors and discussion shall be recorded.
- iii. Analysts' questions that raise issues outside the intended scope of discussion should be handled with care. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- iv. When any Meeting is organized with analysts, a press release shall be made, or relevant information hosted on website after every such meet. The Company may consider live web casting of analyst meets.
- v. Disclosure / dissemination of information may be made through various media so as to achieve good reach and quick dissemination. Disclosure to Stock Exchange shall be made promptly. Disclosures may also be made through the use of dedicated Internet website. Company website may be used to give investors a direct access to analyst briefing material, significant background information, questions and answers.