

DE NORA INDIA LIMITED

CIN: L31200GA1993PLC001335

CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 & SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

Code approved by the Board on: 30th April, 2015
Revised Code approved by the Board on: May 09, 2019
Effective Date: April 01, 2019

Registered Office:

Plot Nos. 184, 185 & 189, Kundaim Industrial Estate,
Kundaim, Goa – 403115

CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Introduction and Background:

The Securities and Exchange Board of India (SEBI), in its endeavour to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') with effect from 15th May, 2015.

In terms of the provisions of the aforesaid Regulations, every listed entity shall formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent the misuse of such information. To achieve these objectives, and in compliance with the aforesaid SEBI Regulations, De Nora India Limited had adopted the Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information effective from 15th May, 2015.

Further, SEBI has vide its notification dated 31st December, 2018 amended the PIT Regulations by notifying SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. As per the revised Regulations, the Policy for determination of "legitimate purposes" should form the part of the Code of Fair Disclosure. Accordingly, the Board of Directors has approved this revised Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code') which shall supersede the earlier Code of Fair Disclosure and shall be effective from 1st April, 2019.

Interpretation

'Unpublished Price Sensitive Information' (UPS) means any information, relating to the Company or its securities, directly or indirectly, that is not generally available,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 is 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;
- (v) Changes in Key Managerial Personnel

Words and expressions used and not defined in this Code but defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and the Rules and Regulations made thereunder, including the amendments of the aforesaid legislations, shall have the meanings respectively assigned to them in those legislations.

Wherever, the terms of this Code differ from any existing or enacted Law(s), Rule(s), Regulation(s) governing the Company, then such Law(s), Rule(s) or Regulation(s) shall prevail over this Code.

In case of any dispute or difference upon the meaning/interpretation of any provision in the Code, the same shall be referred to the Board of Directors and the decision of the Board of Directors in such case shall be final. In interpreting such term / provision, the Board of Directors may seek the help of any of the officers of the Company or an outside expert as it deems fit.

Purpose of the Code of Fair Disclosure:

To ensure timely, fair and adequate disclosure of Unpublished Price Sensitive Information ('UPSI').

To ensure that all UPSI is handled on a need-to-know basis.

To ensure that UPSI is not shared for any reason, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, or in any other manner permitted under the PIT Regulations or amendments thereof.

Principles of Fair Disclosure:

❖ Prompt public disclosure of UPSI

The Company shall ensure that UPSI shall be promptly disclosed and disseminated, in a uniform and universal manner, to the stock exchange on which the Company's shares are listed and post the same on the official website of the Company, no sooner than credible and concrete information comes into being to make such information generally available.

The Company shall avoid selective disclosure of UPSI and, if any UPSI is disclosed selectively, inadvertently or otherwise, the Company shall promptly disseminate the UPSI to make it generally available.

❖ Chief Investor Relations Officer (CIRO)

The Company Secretary & Compliance Officer of the Company has been designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI to the Stock Exchange and on the website of the Company within the stipulated time. In absence of the CIRO, the Managing Director and Chief Financial Officer shall be the only other persons in the Company authorised to disseminate the UPSI as necessitated by the circumstances.

The CIRO shall be responsible to ensure the compliance of this Code including monitoring of UPSI and maintenance of necessary records.

❖ Responding to market rumours

The CIRO or in his absence, the Managing Director or Chief Financial Officer shall ensure the appropriate, fair and prompt response to all queries received from the Stock Exchanges or other regulatory authorities including queries on news reports, verification of market rumours, if any.

In this regard, the Company including the CIRO shall not to respond to market rumour or speculations unless required by the regulatory authorities.

❖ Sharing of information with analysts and research personnel

The Company shall ensure that information shared with analysts and research personnel, if any, is not unpublished price sensitive information.

The authorized representatives of the Company shall avoid making any forward-looking statements in respect of its financial performances and shall not share any UPSI with the analysts, research personnel, prospective investors, etc. In case any UPSI is shared with them, disclosure thereof shall be made simultaneously to the Stock Exchanges, wherever the Company is listed.

The Company shall develop and follow best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences, if any, on the official website to ensure official confirmation and documentation of disclosures made.

❖ **Handling of all UPSI on a need-to-know basis**

All UPSI shall be handled by the employees on a need-to-know basis, i.e., the UPSI shall be disclosed only to those who need the information for legitimate purposes, to discharge legal obligations, performance of duties and used only for the purpose for which it is meant for.

Sharing of UPSI for "Legitimate Purposes"

"Legitimate Purpose" shall include, but not limited to, sharing of UPSI in the ordinary course of business on a need to know basis by an insider with Designated Persons, 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 prohibition of the PIT Regulations or amendments thereof.

The Managing Director/Chief Financial Officer/Company Secretary of the Company severally may determine the names of other entities with whom UPSI may be shared for Legitimate Purpose or other genuine or reasonable purpose from time to time.

No insider shall communicate, provide, or allow access to any UPSI, relating to a 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.

If an Insider receives a query about any UPSI pertaining to the Company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with applicable law read with this code and if need be in consultation with Managing Director or CFO of the Company.

No person shall procure from or cause the communication by any insider of UPSI, relating to a Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Any person who is in receipt of UPSI pursuant to a "Legitimate Purpose" shall be considered an "insider" for the purposes of this Code, Code of Conduct to Regulate, Monitor & Report Trading by Insiders ('Code of Conduct') and the PIT Regulations and written notice shall be given by the CIRO to such persons which would inter alia include the following:-

- (i) The information shared is in the nature of UPSI, confidentiality of such UPSI must be maintained at all times, and such UPSI must not be disclosed by the recipient in any manner except in compliance with the PIT Regulations.
- (ii) Upon receipt of the UPSI, the recipient would be deemed to be an insider and subject to the provisions of the PIT Regulations.
- (iii) The recipient must not trade in the securities of the Company while in possession of UPSI.
- (iv) The recipient shall obtain the Company's prior written consent in case the information provided to such recipient is to be used by such recipient for a purpose other than the Legitimate Purpose

for which the Company had provided the UPSI and, pursuant to such written consent, such other purpose would also be considered to be a Legitimate Purpose.

- (v) The recipient shall extend all cooperation to the Company, as may be required in this regard.

Any sharing of UPSI, 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.

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 CIRO before sharing the information.

Structured Digital Database of such persons or entities as the case may be with whom UPSI is shared by the Company shall be maintained containing the names of such recipient of such UPSI, postal address and email ID of the recipient, Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such structured digital database shall be maintained in accordance with the PIT Regulations and with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The CIRO shall review the UPSI shared for Legitimate Purposes on regular basis.

The Managing Director/ Chief Financial Officer/Company Secretary severally from time to time may also frame further strictures for sharing of such UPSI including signing of Non-Disclosure Agreements/Confidentiality Agreement to ensure use of UPSI only for legitimate purposes.

It is hereby clarified that the assessment of whether sharing of UPSI for a particular instance would tantamount to 'legitimate purpose' would depend on the specific facts and circumstances of each case. Accordingly, this Code only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is "legitimate".

Disclosures

This Code shall be disclosed on the website of the Company.

This Code and every subsequent amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed.

Review and amendments

The Board of Directors reserves the power to review and amend this Code from time to time and stipulate further guidelines, procedures and practices to ensure fair disclosure of UPSI and to give effect to this Code.

This Policy is an Internal Code of Conduct and one of the measures to avoid Insider Trading. It will be the responsibility of each employee to ensure compliance of SEBI Regulations and other related laws fully.