

NIRMA LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015]

1. Introduction

In pursuance to the Regulation 8 (1) of “Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has approved and adopted this “Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information”.

2. Definitions:

For the purpose of this code the following terms shall have the meanings assigned to them hereunder:

- i. **“Code”** shall mean this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- ii. **“Chief Investor Relation Officer”** shall mean an officer designated by the Board of Directors of the Company to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
- iii. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- iv. **“Insider Trading Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- v. **“Unpublished price sensitive information”** means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which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 of the Company and shall, ordinarily including but not restricted to, information relating to the following:
 - Financial Results;
 - Dividends;
 - Change in capital structure;
 - Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - Changes in key managerial personnel; and
 - Material events in accordance with the listing regulations.

3. Principles of Fair Disclosure

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- Prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery, no sooner than credible and concrete information comes into being, in order to make such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.
- Uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
- Chief Financial officer and Company Secretary of the Company be designated as chief investor relations officers who shall deal with the dissemination of information and disclosure of Unpublished Price Sensitive Information.
- Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- Ensuring that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
- 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.

Unanticipated questions may be taken on notice and a considered response given later. If the answer includes Unpublished Price Sensitive Information, a public announcement should be made before such response.

- Handling of all Unpublished Price Sensitive Information on a need-to-know basis.

4. Policy for determination of 'legitimate purpose'

- In terms of the Insider Trading Regulation, the term "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 Insider Trading Regulation.
- No insider shall communicate, provide, or allow access to any unpublished price sensitive information, 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.

- All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance to legitimate purposes, performance of duties or discharge of legal obligations.
- Factors for determination of legitimate purpose:
 - whether sharing of such information is in the ordinary course of business of the Company;
 - whether information is sought to be shared to evade or circumvent the prohibitions of the Regulations;
 - whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
 - whether the information is required to be shared for enabling the Company to discharge its legal obligations;
- Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of Insider Trading Regulation and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with Insider Trading Regulation.
- the Board of Directors or chief investor relations officers or functional head shall ensure that a structured digital database is maintained containing the nature of Unpublished Price Sensitive Information and the names of such persons who have shared the information and also the names of such persons with whom Unpublished Price Sensitive Information is shared under Insider Trading Regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- They 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.

5. **Amendment of this Policy**

This policy may be amended by the Board of Directors of the Company as and when required
