

CODE OF FAIR DISCLOSURE AND CONDUCT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Introduction

This document forms the Code of fair disclosure and conduct of Unpublished Price Sensitive Information adopted by Nagarjuna Fertilizers and Chemical Limited (hereinafter referred to a 'NFCL/Company')

This Code is made pursuant to Regulation 8(1) read with Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of this Code is to lay down the principles and practices to be followed by Nagarjuna Fertilizers and Chemicals Limited pertaining to disclosure of UPSI..

The following Code was originally adopted by the Board of Directors of NFCL, at its meeting held on 15th May, 2015. Further, in view of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, this Code has been reviewed by the Board at their meeting held on 1st April, 2019.

Statute:

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from January 15, 2015)

Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (effective from April 01, 2019)

Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 (effective from December 26, 2019)

Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2020 (effective from July 17, 2020)

Definitions:

- i. **Company'** means Nagarjuna Fertilizers and Chemicals Limited (NFCL);
- ii. **Connected persons** means-
 - (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment

- relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
- (a) an immediate relative of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in section 12 of the Act or an employee or director thereof;
or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i) a banker of the company; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;
- iii. **"generally available information"** means information that is accessible to the public on a non-discriminatory basis;
- iv. **"immediate relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
- v. **"insider"** means any person who is:
- i) a connected person; or

- ii) in possession of or having access to unpublished price sensitive information;
- vi. **"trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- vii. **"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;
 - (v) changes in key managerial personnel.
- viii. **"Designated person"** shall have the same meaning as provided in the code of conduct on prohibition of Insider trading

Determination of Chief Investor Relation Officer

The Company Secretary and Compliance officer of the Company has been designated as the Chief Investor Relation Officer for the purposes of the Regulation, who shall work subject to the guidance of the Managing Director and/ or the Board of Directors.

Principles of Fair Disclosure adopted by NFCL

The Company shall adhere to the following principles to ensure timely and fair disclosure of UPSI:

- a) Prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information generally available.
- b) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- c) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

- d) Ensuring that information shared with analysts and research personnel is not UPSI. The Company shall be careful while answering to the queries of analysts. Unanticipated questions shall be taken on notice and a considered response shall be given later.
- e) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website to ensure official confirmation and documentation of disclosures made.
- f) Handling of all UPSI on a need-to-know basis. UPSI shall be disclosed to Company officials only after a proper clarification is sought as to the purpose for which the information is needed.
- g) All UPSI shall be first communicated to the Stock Exchanges before the same is shared with Analyst and Research personnel.
- h) Transcript of the meetings / con-calls with Analysts shall be furnished to the Stock Exchanges and then posted on Company's website

Determining legitimate purpose for sharing of UPSI

The term "legitimate purpose" shall include sharing of UPSI in the ordinary course of business by an Insider / Designated Person with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

- a. Colleagues,
- b. Support staff members,
- c. Partners,
- d. Collaborators,
- e. Lenders,
- f. Customers,
- g. Suppliers,
- h. Merchant Bankers,
- i. Legal Advisors,
- j. Auditors (Statutory, Secretarial, Cost),
- k. Insolvency professionals or
- l. Any other advisors or consultants,

Whether sharing of UPSI for a particular instance tantamount to 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case. Primarily, the following factors should be considered while sharing the UPSI:

- i) Whether sharing of such UPSI is in the ordinary course of business of the Company;
- ii) Whether sharing of such UPSI is in the interests of the Company or in furtherance of a genuine commercial purpose; and
- iii) Whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an insider for the purpose of the PIT Regulations and due notice shall be given to such person which would inter alia include the following:

- The information shared is in the nature of UPSI, confidentiality of such UPSI must be maintained, and such UPSI must not be disclosed by the recipient in any manner except in compliance with the PIT Regulations.
- The recipient must not trade in the securities of the Company while in possession of UPSI.

The Compliance Officer in consultation with the Chief Financial Officer and Managing Director shall maintain record of the details of the recipients including their PAN or any other identifier authorized by law in case where PAN is not applicable, Address etc. of UPSI on legitimate purpose as per format provided in **Annexure A**.

Such record 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.

Such record shall be preserved for a period of not less than eight years after completion of the relevant transaction and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information shall be preserved till the end of the proceedings.

Third Party Dealings

In order to avoid misrepresentation or misquoting, endeavour shall be made that at least two representatives of the Company are present in the meetings or conference calls with analysts, brokers

or institutional investors. The transcripts of aforesaid conference calls or record of the proceedings of the meetings shall be made available on the website of the Company to ensure official confirmation and documentation of the information shared during such meetings and conference calls.

Need to Know Handling of UPSI

UPSI shall be handled only on need to know basis and shall be provided only in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. All insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.

Verification of Market rumours and response to queries

The Chief Investor Relations Officer shall provide appropriate and fair responses to queries in relation to UPSI including any news reports. The Chief Investor Relations Officer shall not comment on market rumours except when requested by regulatory authorities to verify such rumours.

Digital Database

The Board of Directors shall ensure that a structured digital database is maintained as per the regulatory requirements.

Approved and Adopted

This amended Code has been approved and adopted by the Board of Directors on June 29, 2021.

Annexure-A

Contents of Digital Database of recipients of UPSI

[See Regulation 3(4) and 3(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015

S No	Recipient of UPSI	PAN	Address for correspondence and mobile number	Details of UPSI along with reason of sharing thereof	Supplier of UPSI	Whether NDA has been signed or Notice of confidentiality has been given?	Date when UPSI become publicly available	Date of entry and Person making the entry	Remark, if any

Note 1:

The categories of recipients shall include:

- a. Employees of the Company who are not Designated Persons (DPs);
- b. Persons who are neither employees nor DPs but may come into contact with the DPs and other insiders of the Company;

Note 2:

- a. The database shall be maintained under the supervision of the Compliance Officer of the Company;
- b. The database shall be reviewed by the Compliance Officer on a periodic basis