

Nirlon Limited's Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**ICCPIT**)

(Effective from March 29,2016)*

I. Background, Introduction of Listing Obligations and Disclosure Requirements (LODR), 2015 by SEBI, Amendment and Adoption of the Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015

i. Background

As part of the regulatory process to check trading of securities by insiders, the Securities and Exchange Board of India ("**SEBI**") has amended and replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992 with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**the "Regulations"**).

The Regulations came into effect from May 15, 2015.

The Board of Directors ("**the Board**") of Nirlon Limited ("**the Company**" or "**NL**"), adopted the internal Code of Conduct ("**ICCPIT**") for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same was effective from June 20, 2015.

ii. Introduction of LODR, 2015 by SEBI

SEBI introduced LODR, 2015, effective from December 1, 2015. The LODR, 2015 provides, inter alia, various regulations, annexures and schedules, and all listed companies are required to comply with the LODR, 2015.

iii. Amendment to the existing ICCPIT

The LODR, 2015 do provide specific regulation with respect to the ICCPIT, and hence, the ICCPIT originally adopted by the Board is required to be amended suitably. It is also mandatory under the LODR, 2015, that every listed entity should have a framework to avoid insider trading and abusive self-dealing.

iv. Adoption of the ICCPIT

The Directors on March 29, 2016 approved the revised ICCPIT in compliance with the LODR, 2015.

II. Objectives

1. Regulation 9 (1) of the PIT Regulations, 2015, inter-alia, provides for the formulation of a Code of Conduct to regulate, monitor and report trading by employees of a listed company in order to achieve compliance with the Regulations.
2. Accordingly, Nirlon Limited has formulated ICCPIT for Regulating, Monitoring and Reporting of Trades under the Regulations. This ICCPIT replaces NL's existing internal Code of Conduct with effect from March 29, 2016. Any subsequent modification and/ or amendments to the Regulations shall apply automatically to this ICCPIT.
3. Further, Regulation 8(1) of the PIT Regulations, 2015 mandates that listed companies formulate and display on their website a code of practices and procedures for fair disclosure of unpublished price sensitive information by adhering to the principles as set out in the Regulations. The principles of fair disclosure are also a part of this Code.

III. Definitions

- i. **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- ii. **"Audit Committee"/"AC"** means the existing Committee of Independent directors of the Company and any reconstitution thereof from time to time in accordance with the Act and the LODR, 2015;
- iii. **"Board"** shall mean directors on the Board of the Company from time to time;
- iv. **"ICCPIT"** means this Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades under the Regulations;
- v. **"The Company"** means Nirlon Limited/NL;
- vi. **"Compliance Officer"** means the Company Secretary of the Company or such other person who is appointed as a Compliance Officer by the Board;
- vii. **"Connected Person"** means:
 - a. any person who is or has during the six (6) months prior to the concerned act been associated with the 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;

b. 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:

1. an immediate relative of Connected Persons specified in Clause vii (a) above; or
2. a holding company or associate company or subsidiary company; or
3. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
4. an investment company, trustee company, asset management company or an employee or director thereof; or
5. an official of a stock exchange or of clearing house or corporation; or
6. 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 an employee thereof; or
7. a member of the board or an employee, of a public financial institution as defined in section 2(72) of the Companies Act, 2013; or
8. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
9. a banker of the Company; or
10. 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, who has more than ten (10)% of the holding or interest.

viii. **"Designated Employees"** mean those Insiders who fall in the following categories:

- a. All Directors (including Independent Directors, and Executive/Whole Time Director);
- b. Promoter and Promoter Group.
- c. Key Managerial Personnel;
- d. All employees in the grade of 'Managers' and above, of the finance, accounts, treasury, risk and secretarial departments of the Company;
- e. Any other employee of the Company who, in the opinion of the Compliance Officer, needs to be included in the category of Designated Employee. Such inclusion shall be done after approval of the Chairman and/ or Executive Director of the Company; and
- f. Immediate Relatives of the persons listed from Clause (viii) (a) to (e) above.

ix. **"Director"** means a member of the Board;

x. **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis;

xi. **"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;

- xii. **"Insider"** means any person who is a Connected Person; or in possession of or having access to Unpublished Price Sensitive Information;
- xiii. **"Key Managerial Personnel"** means a person as defined in Section 2(51) of the Companies Act, 2013, and shall include:
 - 1. Executive Director;
 - 2. Company Secretary; and
 - 3. Chief Financial Officer
- xiv. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and any modifications and amendment thereto;
- xv. **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and any modifications and amendment thereto;
- xvi. **"Regulations"** mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment thereof;
- xvii. **"SEBI (LODR) Regulations, 2015"/"LODR,2015"** means Listing Obligations and Disclosure Requirements Regulations, 2015 as notified by the Securities and Exchange Board of India on September 02, 2015 effective from December 1, 2015, and any modification and amendment thereto;
- xviii. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modifications thereof except units of a mutual fund;
- xix. **"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any modifications and amendment thereto;
- xx. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "Trade" shall be construed accordingly;
- xxi. **"Trading Day"** means a day on which the recognized stock Exchanges are open for trading;
- xxii. **"Trading Window"** shall have the meaning ascribed to the term in clause (VII) (a);
- xxiii. **"Un-published Price Sensitive Information" or "UPSI"** 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 include but not restricted to information relating to the following:
 - (a) Financial results;

- (b) Dividends;
- (c) Change in capital structure;
- (d) Merger, demergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (e) Change in Key Managerial Personnel; and
- (f) **“Material events”** shall mean and include as the LODR, 2015 Regulation 30(2) and 30 (4) and Para A, B and C of Part A of Schedule III of the Regulations, and the same are reproduced below:-

PARA A OF PART A OF SCHEDULE III OF THE LODR, 2015

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation / merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;
Explanation- for the purpose of this ICCPIT, the word 'acquisition' shall mean:-
 - (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that:-
 - (a) the Company holds shares or voting rights aggregating to **five (5) % or more** of the shares or voting rights in the Company, or;
 - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation and such change **exceeds two (2) %** of the total shareholding or voting rights in the Company;
2. Issuance or forfeiture of securities, split or consolidation of shares, Buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.;
3. Revision in Rating(s);
4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), **within thirty (30) minutes** of the closure of the meeting, held to consider the following:
 - a. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - b any cancellation of dividend with reasons thereof;
 - c. any decision on buyback of securities;
 - d. the decision with respect to fund raising proposed to be undertaken;
 - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - f) re-issue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in

- any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) decision on voluntary delisting by the Company from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty (ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
 6. Fraud/defaults by Promoter or Key Managerial Personnel or by the Company, or the arrest of Key Managerial Personnel or promoter;
 7. Change in Directors, Key Managerial Personnel (Executive Director, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer;
 8. Appointment or discontinuation of share transfer agent;
 9. Corporate debt restructuring;
 10. One time settlement with a bank;
 11. Reference to BIFR and winding-up petition filed by any party /creditors;
 12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders, or creditors or any class of them or advertised in the media by the Company;
 13. Proceedings of Annual and Extraordinary General Meetings of the Company;
 14. Amendments to Memorandum and Articles of Association of the Company, in brief;
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional.

PARA B OF PART A OF SCHEDULE III OF THE LODR, 2015

(Illustrative list of events which shall be disclosed upon application of the Guidelines for materiality)

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of business brought about by arrangements for a strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
3. Capacity addition or product launch;

4. Awarding, confirming / receiving, amendment or termination of awarded/confirmed orders/contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in the normal course of business) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or divisions of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

PARA C OF PART A OF SCHEDULE III OF THE LODR, 2015

Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

UNDER REGULATION 30 (4) OF THE LODR, 2015

The Company shall consider the following criteria for determination of materiality of events/ information:

1. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
3. In case where the criteria specified in above (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event / information is considered material.

The Board of Directors of the Company has adopted a policy for determination of materiality, based on criteria as given in the LODR,

2015 and the same shall be disclosed on the Company's website "www.nirlonltd.com".

IV. Interpretation

- a. Words and expressions used and not defined in this Code but defined in the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them therein.
- b. Words importing the plural include where the context admits or requires, the singular, and vice-versa.
- c. Words importing the person shall, where the context requires, include corporate bodies and companies as well as individuals.

V. Role of the Compliance Officer

- a. The Compliance Officer shall report on matters relating to the ICCPIT to the Board and in particular, shall provide reports to the Chairman of the AC if any, or to the Chairman of the Board once in every calendar quarter;
- b. The Compliance Officer shall maintain a record of the Designated Employees and note any changes therein;
- c. The Compliance Officer shall assist all the Designated Employees in addressing any clarifications regarding the Regulations and the ICCPIT;
- d. The Compliance Officer shall review the Designated Employees' Trading Plans detailed in Clause VI (d) of this ICCPIT to assess whether the Trading Plan would have any potential for violation of the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the Trading Plan;
- e. The Compliance Officer shall notify the Trading Plan to the stock exchanges on which the securities of the Company are listed upon approval of the Trading Plan;
- f. The Compliance Officer shall determine the timing for re-opening of the Trading Window by taking into account various factors including the UPSI in question becoming Generally Available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight (48) hours after the UPSI becomes Generally Available;
- g. The Compliance Officer shall confidentially maintain a list of such securities as "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of the Trades;
- h. The Compliance Officer shall disclose all the events or information which in the opinion of the Board is material as provided in Clause III xxiii (f).

VI. Preservation of UPSI

(a) Communication or procurement of UPSI:

1. The Designated Employee shall maintain confidentiality of all UPSI and no Designated Employee shall communicate, provide, or allow access to any UPSI, relating to the Company or securities listed or proposed to be listed, to any person including other Designated Employees except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Further, the Designated Employee shall not pass on the UPSI to any person directly or indirectly whether for making a recommendation for the purchase or sale of securities of the Company or otherwise;

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

3. Notwithstanding anything contained in the Regulations, the UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

(i) entail an obligation to make an open offer under the Takeover Regulations where the Board is of informed opinion that the proposed transaction is in the best interest of the Company;

(ii) not attract the obligation to make an open offer under the Takeover Regulations but where the Board is of the informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute UPSI is disseminated to be made Generally Available at least two (2) Trading Days prior to the proposed transaction being effected in such form as the Board may determine.

4. It is clarified that no communication of UPSI as contemplated under Clause VI (a) (3) above shall occur unless the Board has passed a resolution authorizing such communication. For purposes of Clause VI (a) (3), the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause VI (a) (3) and shall not otherwise Trade in securities of the Company.

(b) Need to know:

1. UPSI shall be handled within the Company on a 'need to-know' basis. No UPSI shall be communicated to any

person except in furtherance of the Insider's legitimate purposes, performance of duties or discharge of his legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of UPSI.

2. All UPSI received by any Designated Employee should be reported to the head of his/ her department if any, and to the Compliance Officer immediately on receipt of such information.

(c) Limited access to UPSI:

(i) All files containing UPSI shall be kept secure under lock and key. Computer files shall have adequate security of login and passwords. Files containing UPSI may be deleted /destroyed after they are no longer required to be used by the Company, subject to prior written approval of the Compliance Officer. A shredder should be used for the destruction of physical files.

(ii) To prevent the misuse of UPSI, the Company shall adopt a 'Chinese Wall' policy which separates those areas of the Company which routinely have access to UPSI, considered 'inside areas' from those areas which do not have access to UPSI, considered 'public areas'.

Thereby:

1 The employees of the Company including the Directors in the 'inside area' shall not communicate any UPSI to anyone in the 'public area';

2. The employees of the Company including the Directors in the 'inside area' may be physically segregated from employees of the Company including the Directors in 'public area'.

3. The demarcation as the 'inside area' shall be decided by the Compliance Officer in consultation with the Board;

4. In exceptional circumstances, employees of the Company including the Directors from the 'public areas' may be brought 'over the wall' and given UPSI on the basis of 'need to know' criteria, with prior approval of the Compliance Officer.

(d) Trading Plan:

A Designated Employee shall be entitled to formulate a trading plan for Trading in securities of the Company in accordance with the Regulations including in particular Regulation 5 of the Regulations ("**Trading Plan**") and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out on his behalf in accordance with such Trading Plan.

(I) Trading Plan shall:

a. not entail commencement of Trading on behalf of the



- Designated Employee earlier than six (6) months from the public disclosure of the Trading Plan;
- b. not entail Trading for the period between the 20th Trading Day prior to the last day of any financial period for which results are required to be announced by the Company and the second Trading Day after the disclosure of such financial results;
 - c. entail Trading for a period of not less than twelve (12) months;
 - d. not entail overlap of any period for which another Trading Plan is already in existence;
 - e. set out either the value of Trades to be effected or the number of securities to be Traded along with the nature of the Trade and the intervals at, or dates on which such Trades shall be effected; and
 - f. not entail Trading in securities for market abuse.
- (II) The Trading Plan once approved shall be irrevocable and the Designated Employee shall mandatorily have to implement the Trading Plan, without being entitled to either deviate from it or to execute any Trade in the securities outside the scope of the Trading Plan. Provided that the implementation of the Trading Plan shall not commence if any UPSI in possession of the Designated Employee at the time of formulation of the Trading Plan has not become Generally Available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement shall be deferred until such UPSI becomes Generally Available so as to avoid a violation of Regulation 4(1) of the Regulations i.e. the commencement of the Trading Plan shall be deferred until after the expiry of atleast forty-eight (48) hours of UPSI being made Generally Available;
- (III) Further, notwithstanding anything contained herein, the Designated Employee shall also not be allowed to Trade in securities of the Company, if the date of Trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

VII. Trading Window

(a) Trading Window:

- i. The Company shall have designated a 'Trading Window' period being the period during which transactions in the securities of the Company can be effected by the Designated Employee(hereinafter referred to as 'Trading Window') for Trading in the Company's securities;
- ii. The Trading Window shall remain closed from the date of notice given to the stock exchanges for convening the meeting of the Board to consider items of UPSI and shall be re-

- opened as per Clause V (f) i.e. after the expiry of atleast 48 hours of UPSI being generally available;
- iii. Designated Employees shall not Trade in the Company's securities during the period when the Trading Window is closed and will have to forego the opportunity to Trade in the Company's securities during such period;
 - iv. All Designated Employees shall conduct all their Trading in the securities of the Company only in a valid Trading Window and shall not Trade in the Company's securities during the periods when the Trading Window is closed or during any other period as may be specified by the Compliance Officer from time to time.
- (b) The Trading Window shall be closed when the Compliance Officer determines that a Designated Employee or class of Designated Employees can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI Relates. Designated Employees shall not Trade in securities when the Trading Window is closed;
 - (c) The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

VIII. Pre-Clearance of Trades

- (a) All Designated Employees, who intend to Trade in the securities of the Company when the Trading Window is open for an aggregated trade value in excess of Rs. 10,00,000/- (Rupees Ten lakh), shall get the transactions pre-cleared;
- (b) No Designated Employee shall apply for pre-clearance of any proposed Trade if such Designated Employee is in possession of UPSI even if the Trading Window is not closed;
- (c) An application in the form annexed hereto as **Annexure 1** shall be made to the Compliance Officer by the Designated Employee indicating the estimated number of securities that such Designated Employee intends to trade in, details of the depository and such other information as may be prescribed by the Company to the effect that he/ she is not in possession of UPSI;
- (d) Before a Trade is executed, the Designated Employee shall execute a declaration in the form annexed hereto as **Annexure 2** in favour of the Company;
- (e) The Compliance Officer shall accord his approval within two (2) Trading Days of the receipt of application for pre-clearance in the form annexed hereto as **Annexure 3**;
- (f) All Designated Employees shall execute their Trades in respect of

securities of the Company within seven (7) Trading Days after the approval of pre-clearance is given. The Designated Employee shall file within two (2) Trading Days of the execution of the Trade, the details of such Trade with the Compliance Officer in the form annexed hereto as **Annexure 4**. In case the Designated Employee does not execute the transaction, a report to that effect shall be filed in the form annexed hereto as **Annexure 4** recording the reasons for the same;

(g) If the Trade is not executed within seven (7) Trading Days after the approval is given, the Designated Employee must obtain a fresh pre-clearance;

(h) All Designated Employees who buy or sell any number of securities of the Company shall not enter into any contra trade/ opposite trade i.e., sell or buy any number of securities during the next six (6) months following the prior transaction for purchase or sale of securities, as the case maybe. In case of any contra trade being executed , inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act;

(i) The Compliance Officer may grant relaxation from strict application of such restrictions in Clause VIII (h) above for reasons to be recorded in writing provided that such relaxation does not violate the Regulations;

IX. Other Restrictions / General Provisions

(a) The disclosure to be made by any person under this ICCPIT shall include those relating to Trading by such person's Immediate Relatives, and shall include disclosures by any other person for whom such person takes Trading decisions;

(b) The disclosures of Trading in securities shall also include Trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purpose of this ICCPIT;

(c) All supporting documents for compliances made under this ICCPIT shall be maintained by the Company for a minimum period of five (5) years, in such a form as may be prescribed by the Compliance Officer or by the Board.

X. Penalty for Contravention of the ICCPIT

(a) Every Designated Employee shall be individually responsible for complying with the provisions of the ICCPIT (including to the extent the provisions hereof are applicable to his/ her dependents);

(b) Without prejudice to the power of SEBI under the Act,

Designated Employees who violate the ICCPIT shall also be subject to disciplinary actions including wage freeze, suspension, etc. that may be imposed by the Board;

(c) The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

XI. Information to SEBI in case of Violation

The Compliance Officer shall inform the Board and SEBI immediately, as regards cases of any violation of the Regulations / ICCPIT so that appropriate action may be taken.

XII. Fair Disclosures under ICCPIT

As required under Regulation 8 of the Regulations, the ICCPIT of practices and procedures for fair disclosure of UPSI forms part of this ICCPIT and the same is appended below. The Compliance Officer is appointed Chief Investor Relations Officer to deal with the dissemination of information and disclosure of UPSI;

(1) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information Generally Available;

(2) Uniform and universal dissemination of UPSI to avoid selective disclosure;

(3) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information Generally Available;

(4) Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities;

(5) Ensuring that information shared with analysts and research personnel is not UPSI;

(6) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences available on the official website to ensure official confirmation and documentation of disclosures made;

(7) Handling of all UPSI on a need-to-know basis.

XIII. Disclosures of Trading

(a) Initial disclosures

(i) Every Promoter, KMP and Director of the Company shall disclose his/ her holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect in the form annexed hereto as **Annexure 5**;

(ii) Every person on appointment as a KMP or a Director or

upon becoming a Promoter shall disclose his/ her holding of securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven (7) days of such appointment or becoming a Promoter in the form annexed hereto as **Annexure 6**.

(b) Continual disclosures

(i) Every Promoter, employee of the Company and Director shall disclose to the Company the number of such securities acquired or disposed off within two (2) Trading Days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten Lakh) or such other value as may be specified, in the form annexed hereto as **Annexure 7**;

(ii) The Company shall notify the particulars of such Trading to the stock exchanges on which the securities are listed within two (2) Trading Days of receipt of the disclosure or from becoming aware of such information.

(c) The Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosure of holdings and Trading in securities of the Company in the form annexed hereto as Annexure 8, at such frequency as may be determined by the Company in order to monitor compliance with these Regulations.

ANNEXURE 1
APPLICATION FOR PRE-CLEARANCE OF TRADE

Date:_____

The Compliance Officer,
Nirlon Limited,
Mumbai.

Dear Sir,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Internal of Conduct for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**ICCPIT**"), I seek pre-clearance to Trade in _____ securities of the Company as per details given below:

	Name of the Applicant	
	Designation	
	Nature of the Securities and the number of securities held as on date	
	Folio No. / DP ID / Client ID No.	
	The proposal is for	Purchase of securities/ Subscription to securities/ Sale of securities/ Any other transaction, please specify
	Proposed date of Trading in securities	
	Estimated number of securities proposed to be acquired/subscribed/sold, etc.	
	Price at which the transaction is proposed	
	Current market price (as on date of application)	
	Whether the proposed transaction will be through the stock exchange or an off-market deal	
	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	
	Others, please specify	

All capitalized terms used herein but not defined shall have the same

meaning as has been assigned to the terms in the ICCPIT.

Regards,

Signature

Name:

Designation:

ANNEXURE 2

FORMAT OF DECLARATION

Date: _____

**The Compliance Officer,
Nirlon Limited,
Mumbai.**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**"ICCPIT"**), I,

_____, (designation) of the Company residing at _____, am desirous of Trading in _____ securities of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I am issuing this declaration pursuant to Clause VIII (d) of the ICCPIT. I hereby confirm and undertake:

1. that I do not possess any Unpublished Price Sensitive Information (UPSI) ;
2. not to pass on Unpublished Price Sensitive Information of the Company to any person directly or indirectly;
3. to report to the Compliance Officer, any Unpublished Price Sensitive Information that may be received by me;
4. that in case I have access to or receive 'Unpublished Price Sensitive Information' after the signing of this undertaking but before the execution of the Trade, I shall inform the Compliance Officer of the same and I shall completely refrain from Trading in the securities of the Company till such time the Unpublished Price Sensitive Information becomes public;
5. that I have not contravened the ICCPIT as notified by the Company from time to time;
6. that all disclosures made by me in this letter are true and complete;

and

7. That I shall execute my Trade in respect of the securities of Nirlon Limited within seven (7) Trading Days after the pre-clearance is given. If the Trade is not executed within seven (7) Trading Days after the approval is given, I shall obtain fresh pre-clearance for the Trade.

All capitalized terms used herein but not defined shall have the same meaning as has been assigned to the terms in the ICCPIT.

Regards,

Signature

Name:

Designation:

ANNEXURE 3
FORMAT FOR PRE- CLEARANCE ORDER

Date: _____

Name: _____
Designation: _____
Place: _____

Sub: Pre-clearance of transaction in the Company's Securities

Ref: Your application dated _____, 20____ for pre-clearance of Trade for _____ securities of the Company in your name / in the names of _____.

This is pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**ICCPIT**").

With reference to your above application seeking pre-clearance of your Trading in securities of the Company, we hereby accord our approval to the proposed transaction.

You may kindly note that pursuant to provisions of the ICCPIT, the aforesaid Trade shall be executed within seven (7) Trading Days from the date of receipt of this letter, failing which, a fresh application seeking pre-clearance to the proposed Trade together with a declaration in the prescribed format, shall be made in order to execute the Trade.

Further, you are required to file the details of the executed transactions in the attached form (Annexure 4) within two (2) days from the date of execution of the Trade. In case the Trade is not undertaken, a 'Nil' report shall be necessary.

You shall not enter into any contra trade within six (6) months of such Trade.

All capitalized terms used herein but not defined shall have the same meaning as has been assigned to the terms in the ICCPIT.

Yours faithfully,
for Nirlon Limited

Compliance Officer

Encl: Format for submission of details of transaction

ANNEXURE 4

FORMAT FOR DISCLOSURE OF TRANSACTIONS

(To be submitted within two (2) days of transaction / dealing in securities of the Company)

Date: _____

The Compliance Officer,
Nirlon Limited,
Mumbai.

Sub: SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**ICCPIT**").

I hereby inform that I: _____
have not Traded in any security of the Company because of the following reasons:

_____ or,

have Traded to _____ securities as mentioned below on ____ (date)

Name of holder	Nature of the Securities and the No. of securities dealt with	Bought/sold/subscribed/others	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid Trade(s), I hereby undertake to preserve, for a period of three (3) years and produce to the Compliance Officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six (6)

months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for the necessary approval.

I declare that the above information is correct and that no provisions of the Company's ICCPIT and/or applicable laws/regulations have been contravened for effecting the above said Trade(s).

All capitalized terms used herein but not defined shall have the same meaning as has been assigned to the terms in the ICCPIT.

Regards,

Signature

Name:

Designation:

ANNEXURE 5

FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the Company]

Name of the Company: Nirlon Limited

ISIN of the Company: INE910A01012

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the Company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units	Notional value in	Contract Specifications	Number of units	Notional value in Rupee terms

	(contracts * lot size)	Rupee terms		(contracts * lot size)	
6	7	8	9	10	11

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

ANNEXURE 6

FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a director/KMP/Promoter]

Name of the Company: Nirlon Limited

ISIN of the Company: INE910A01012

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed Company and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held as on the date of regulation coming into force		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

Note: “Securities” shall have the meaning as defined under regulation 2(1) (i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the Company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed Company and other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP		
Contract	Number of	Notional	Contract	Number of	Notional value in Rupee terms

Specifications	units (contracts * lot size)	value in Rupee terms	Specifications	units (contracts * lot size)	
7	8	9	10	11	12

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

ANNEXURE 7

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

Name of the Company: Nirlon Limited

ISIN of the Company: INE910A01012

Details of change in holding of Securities of Promoter, Employee or Director of a listed Company and other such persons as mentioned in Regulation 6(2)

Name , PAN, CIN/ DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relative to/others etc)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to Company	Mode of acquisition / disposal (on market/public / rights/ preferential offer / off market/ Inter- se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible	No. and % of share holding	Type of security (For eg. – Shares, Warrants, Convertible Deben	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoked/ Invoked)	Type of security (For eg. – Shares, Warrants, Convertible	No. and % of shareholding	From	To		

		e Debe nture s etc.)		tures etc.)				e Debe nture s etc.)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives of the Company by Promoter, Employee or Director of a listed Company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

ANNEXURE 8

FORM D (Indicative format)

SEBI (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by Other connected persons as identified by the Company

Name of the Company: Nirlon Limited

ISIN of the Company: INE910A01012

Details of trading in securities by other connected persons as identified by the Company

Name , PAN, CIN/ DIN & address with contact nos. of other connected persons as identified by the	Conne ct ion with Comp any	Securities held prior to acquisition/di sposal		Securities acquired/Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimati on to Compan y	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of securi ty (For eg. – Share s, Warr ants , Conv ertibl e Debe	No. and % of share holdi ng	Type of securi ty (For eg. – Share s, Warra nts, Conve rtible Deben tures etc.)	No.	Val ue	Trans act ion Type (Buy/ Sale/ Pledge / Revok e/ Invok e)	Type of secur ity (For eg. – Shar es, Warr ants , Conv ertibl e	No. and % of shar ehold ing	From	To		

Comp any		nture s etc.)						Debe nture s etc.)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives by other connected persons as identified by the Company

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name:

Signature:

Place:
