

Nirlon Limited's Internal Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading by Insiders

INTRODUCTION

- A.** The Securities and Exchange Board of India (“**SEBI**”), in its endeavour to regulate and develop the securities market, and to protect the interest of investors, has enacted SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“**Insider Regulations**”). Insider Regulations establish the framework for prohibition on insider trading in securities and prescribes all listed companies to formulate internal code of conduct to comply with the mandates under the Insider Regulations.
- B.** Nirlon Limited (the “**Company**”) endeavours to apply best practices in relation to corporate governance requirements. As part of its efforts, the Company undertakes to regulate, preserve and manage unpublished price sensitive information and prevent its abuse in any manner whatsoever. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws, Regulations and Code of Conduct.
- C.** Every Insider (as defined below) has a duty to safeguard the confidentiality of all such information obtained in the ordinary course of their business with the Company. In furtherance of the mandate under the SEBI Insider Trading Regulations and applicable provisions of the Companies Act, 2013, the Company hereby notifies this Code (“**Code of Conduct**”).
- D.** This Code of Conduct is framed to achieve the above mentioned objectives and is to be followed by all Insiders. This Code of Conduct shall replace the existing codes i.e. Nirlon Limited's Internal Code of Conduct for Prevention of Insider Trading, and shall operate in addition to the Insider Regulations. In the event of any inconsistency between the Insider Regulations and this Code of Conduct, the provisions of the Insider Regulations shall prevail.

1. Definitions

- 1.1 **"Act"** means the Securities and Exchange Board of India Act, 1992;
- 1.2 **"Board"** means the Board of Directors of the Company;
- 1.3 **"Code of Conduct"** means Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading by Insiders;
- 1.4 **"Company"** means Nirlon Limited;
- 1.5 **"Compliance Officer"** means Compliance Officer of the Company as designated by the Board;
- 1.6 **"Connected Persons"** means 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.

Without prejudice to the generality of the above, following persons shall be deemed to be connected persons unless the contrary is established:

- i. an immediate relative of connected persons specified in clause (i); or
- ii. a holding company or associate company or subsidiary company; or
- iii. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- iv. an investment company, trustee company, asset management company or an employee or director thereof; or

- v. an official of a stock exchange or of clearing house or corporation; or
- vi. 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
- vii. 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
- viii. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- ix. a banker of the Company; or
- x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten percent of the holding or interest.

1.7 Designated Persons:

- i. All promoters and members of promoter group of the Company;
- ii. All the Directors of the Company and its subsidiaries;
- iii. Chief Executive Officer/Managing Director and employees upto two levels below Chief Executive Officer/ Managing Director of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- iv. Key managerial Personnel of the Company;
- v. Employees of the Company and its material subsidiaries designated on the basis of their functional role or access to unpublished price sensitive information;
- vi. Any supporting staff of the Company such as IT

- staff or any secretarial staff who may have access to unpublished price sensitive information;
- vii. Any other person as may be determined by the Managing Director in consultation with the Compliance Officer of the Company;
- viii. Immediate relative of any of the persons identified above.

1.8 "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.

1.9 "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.

1.10 "Insider" means any person who is:

- i. a Connected Person;
- ii. in possession of or having access to unpublished price sensitive information;
- iii. a Designated Person; or
- iv. any person in receipt of unpublished price sensitive information pursuant to a Legitimate Purpose.

1.11 "Key Managerial Personnel" means:

- i. the Executive Directors and Chief Executive Officer or the managing director or the manager;
- ii. the Company Secretary;
- iii. the Chief Financial Officer; and
- iv. such other officer as may be prescribed under the Companies Act, 2013, from time to time.

1.12 "Legitimate purpose" shall include, but not be limited to, sharing of unpublished price sensitive information (UPSI) 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.

- 1.13 "Material Subsidiary"** means a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 1.14 "Need to Know"** basis means the information which is considered material and price sensitive should be disclosed only to those employees within the Company who need such information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- 1.15 "Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 or any modification thereof.
- 1.16 "Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.
- 1.17 "Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) regulations, 2011 and any amendments thereto;
- 1.18 "Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell and deal in any securities, and "trade" shall be construed accordingly;
- 1.19 "Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- 1.20 "Trading Window"** means a trading period for trading in the Company's Securities as specified by the Company from time to time. All days shall be the trading period except those as specified in Clause 6 hereunder.

1.21 "Trading Plan" shall mean a plan for trades to be executed in the future by persons who have perpetual access to the UPSI.

1.22 "Unpublished price sensitive information" or "UPSI" 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 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;
- vi. Such other significant information of the Company as may be determined by the Chief Financial Officer and Compliance Officer of the Company;
- vii. Any other matter as may be prescribed by law, from time to time.

1.23 "Whistle Blower" means an employee who reports instance of leak of price sensitive information under this Code of Conduct.

Words and expressions used and not defined in this Code of Conduct but defined in 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 rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

1.24 *An "Informant" is any individual who voluntarily provides Original Information to SEBI relating to any violation of insider trading laws that has occurred, is occurring or has a*

reasonable belief that it is about to occur. Voluntarily providing information means the voluntarily submission of information to SEBI not being at the instance of SEBI, Central or State authorities or any other authority.

2. COMPLIANCE OFFICER

The Compliance Officer shall take all steps as may be required for compliance of the Code of Conduct. The Company Secretary of the Company shall act as Compliance Officer of the Company. However, Board may appoint any other person to act as the Compliance Officer in accordance this Code of Conduct from time to time.

2.1 Role of Compliance Officer

- i. The Compliance Officer shall report to the Board and in particular, shall provide quarterly reports to Chairman of the Audit Committee or to the Board, in relation to the compliance status of the Insider Regulations and the Code of Conduct.
- ii. The Compliance Officer shall assist all Insiders in addressing any clarifications regarding the Insider Regulations and the Code of Conduct.
- iii. The Compliance Officer shall monitor, review and approve all Trading Plans.
- iv. The Compliance Officer shall, based on his/her discretion and occurrence of specific events detailed in this Code of Conduct, regulate and monitor the Trading Window of the securities of the Company.
- v. The Compliance Officer may seek information from any Insider in relation to Trading of securities and handling of UPSI.
- vi. The Compliance Officer may require any other persons (law firms, consultants, investment bankers, vendors, customers, bankers etc.) to disclose their shareholding and Trading in securities of the Company.
- vii. The Compliance Officer may propose necessary

changes to this Code of Conduct, as and when the same are necessitated. Such proposal by the Compliance Officer will be considered by the Board and, if approved, will take effect immediately following the Board Meeting in which such proposals are approved.

- viii. The Compliance Officer will maintain a record (either manual or in electronic form) of the Designated Persons and their immediate relatives and changes thereto from time to time, in consultation with the Executive Director & Chief Executive Officer of the Company.
- ix. The Compliance Officer shall maintain a structured digital database, which shall contain the name of such persons or entities, with whom any UPSI is shared.

2.2 Duties of Compliance Officer

- i. The Compliance Officer shall set forth policies, procedures and shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rule for preservation of UPSI, pre-clearance of trades by Designated Persons, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors of the Company.
- ii. The Compliance Officer shall place before the Board and the Audit Committee a yearly report on insider trading. The Compliance Officer shall also place before the Audit Committee quarterly reports on insider trading. The yearly report shall be placed in the Audit Committee Meeting and the Board Meeting held after the Closure of Financial Year of the Company for consideration of yearly audited financial results of the Company. The quarterly

reports shall be placed before the Chairperson of the Audit Committee and before the Board Meeting to be held for approval of quarterly financial results of the Company each quarter.

- iii. The Compliance Officer shall maintain records of all declarations received from the Designated Persons and place the same before the Board in accordance with this Code of Conduct.
- iv. The Compliance Officer shall be responsible to deal with the dissemination of information and disclosures of UPSI.

3. PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 3.1** No Insider shall communicate, provide, or allow access to any UPSI, relating to the Company, to any person including other insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.
- 3.2** No person shall procure UPSI from or cause the communication of UPSI by any Insider, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.
- 3.3** All information shall be handled within the organisation on a Need to Know basis and 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.
- 3.4** UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:
 - i. an obligation to make an open offer under the Takeover Regulations where the Board is of the informed opinion that the proposed transaction is in the best interests of the Company; or
 - ii. not attracting 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 interest of the Company and the information that constitutes UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board may determine.

3.5 The Company shall require the parties or person who have contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company and are required to handle UPSI:

- i. to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties; and
- ii. to keep the information so received confidential, except for the purpose of the as mentioned above or except in furtherance of the Legitimate Purposes, performance of duties or discharge of his legal obligations and shall not otherwise trade in securities of the Company when in possession of UPSI.

3.6 The Company while dealing with any market intermediary, partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultant or any other person, who are required to handle UPSI shall ensure that such person has formulated a code of conduct as per the requirements of the Insider Regulations.

3.7 The Board shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom UPSI is shared along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available. The Compliance Officer shall prepare and maintain such database; put in place adequate internal controls and checks to ensure non-tampering of the database; and periodically

confirm to the Board about the maintenance of the said Digital Data.

Such a database may include the following details:

- i. Name of the person/ organization with whom UPSI has been shared;
- ii. PAN of person/ organization with whom UPSI was shared or any other identifier;
- iii. Brief details of UPSI shared;
- iv. Date when any confidentiality agreement has been signed with such person/organization;
- v. Name of the official of the Company who shared such information; and
- vi. Frequency of sharing of information.

3.8 Limited access to confidential information. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted/ destroyed after its use.

4. CHINESE WALLS

To prevent the misuse of UPSI, the Company has laid down the following Chinese Walls procedures which separate those areas of Company that routinely have access to UPSI, considered as “inside areas” from those areas which deal with other departments providing support services, considered "public areas".

- i. The employees in the inside area shall not communicate any UPSI to anyone in public area.
- ii. The Company shall have a process of maintaining securely computer files containing confidential information and physical storage of documents relating to UPSI.
- iii. The access to the insider areas shall be restricted.
- iv. Any UPSI directly received by any employee of the Company, not entitled or required to have access of such information in its ordinary course of business or performance of duties or discharge of his legal obligations should immediately be reported to the head of the department or the Compliance

Officer.

- v. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "Need to Know" criteria, under intimation to the Compliance Officer.

5. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

The Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the Insider Regulations to prevent insider trading.

The internal controls shall include the following:

- i. All employees who have access to USPI are identified;
- ii. All the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the Insider Regulations;
- iii. Adequate restrictions shall be placed on communication or procurement of UPSI as required by the Insider Regulations;
- iv. Lists of all employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons. Such person shall be made aware of the duties and responsibilities attached to the receipt of UPSI, and the liability that attaches to misuse or unwarranted use of such information;
- v. Other relevant requirements specified under the Insider Regulations shall be complied with;
- vi. Disclosure and tracking of shareholding of the Designated person in the Company;
- vii. Periodic process review to evaluate effectiveness of such internal controls.

The Executive Director and Chief Executive Officer and Compliance Officer of the Company shall ensure adequacy and effectiveness of said internal controls.

6. TRADING PLANS

- 6.1** Any Insider who may be perpetually in possession of

UPSI may trade in securities of the Company after the formulation of a trading plan which would enable such an Insider to plan for trades to be executed in future. By doing so, the possession of UPSI when a trade under a trading plan is actually executed would not prohibit the execution of such trade that the Insider had pre-decided even before the UPSI came into being.

6.2 Subject to Clause 3 above and restrictions under the Insider Regulations, an Insider shall be entitled to formulate a 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 plan **(Annexure 1)**.

6.3 The Compliance Officer shall ensure that the following features are complied with for review and approval of a Trading Plan **(Annexure 2)**. Trading under Trading Plan shall:

- i. not commence earlier than six months from the public disclosure of the plan;
- ii. be prohibited for the period between the twentieth 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;
- iii. not entail trading for a period of less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;
- v. set out either by 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
- vi. not entail trading in securities for market abuse.

6.4 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for

violation of the Code of Conduct or the Insider 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.

- 6.5** The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.
- 6.6** The implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation.
- 6.7** The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information. Further, the Designated Persons 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.
- 6.8** The pre-clearance of trades shall not be required for a trade executed as per an approved Trading Plan and that Trading Window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.
- 6.9** Upon approval of a Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

7. TRADING WINDOW

- 7.1** Designated Persons may execute trades subject to compliance with the Insider Regulations and this Code of Conduct. A notional Trading Window shall be adopted for

monitoring the trading of such Designated Persons. The Trading Window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons 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 Persons and their immediate relatives shall not trade in securities when the trading window is closed.

7.2 Unless otherwise specified by the Compliance Officer, the Trading Window for Trading in Securities of the Company shall be closed for the following purposes:

- i. Declaration of financial results (quarterly and annual), standalone and consolidated, of the Company;
- ii. Intended declaration of dividends (both interim and final);
- iii. Issue of securities by way of public, bonus, rights etc.;
- iv. Buy-back of securities;
- v. Any major expansion plans or execution of new projects;
- vi. Change in Key Managerial Personnel;
- vii. Amalgamation, Mergers, Takeovers, or Restructuring ;
- viii. Disposal of the whole or substantial part of the undertaking;
- ix. Such other significant information of the Company as may be determined by the Chief Financial Officer and Compliance Officer of the Company.

7.3 The timing for opening of the Trading Window shall be determined by the compliance officer 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 information becomes generally available.

7.4 Trading restriction period can be made applicable from the

end of every quarter till forty eight (48) hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

7.5 When the Trading Window is open, trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades price is Rupees Ten Lakh (Rs.10,00,000) or above such thresholds as the Board may stipulate.

8. PRE-CLEARANCE OF TRADES

8.1 Subject to Clause 7, all Designated Persons who intend to trade in securities of the Company should pre-clear the transaction as per the pre-dealing procedure as described hereunder except if the trade executed as per the approved trading plan.

Pre-dealing Procedure:

8.2 All Designated Persons, who intend to trade in the securities of the Company when the trading window is open, should pre-clear the transaction.

8.3 No Designated Persons shall be entitled to apply for pre-clearance of any proposed trade if such person is in possession of UPSI even if the Trading Window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

- i. An application may be made in the prescribed Form **(Annexure 3)** to the Compliance Officer indicating the estimated number of securities that the Designated Persons intend to deal in, the details as to the depository with which he/she has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- ii. An undertaking **(Annexure 4)** shall be executed in

favour of the Company by such Designated Persons incorporating, inter alia, the following clauses, as may be applicable:

- a. That the Designated Person does not have any access or has not received UPSI up to the time of signing the undertaking.
 - b. That in case the specified employee has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
 - c. That Designated Person and his/her immediate relatives have not contravened the Code of Conduct for prevention of Insider Trading as notified by the Company from time to time.
 - d. That he/she has made a full and true disclosure in the matter.
- iii. The Compliance Officer shall on receiving an application provide the Designated Person with an acknowledgement on the duplicate of the application or in any electronic form.
 - iv. The Compliance Officer shall communicate his/ her approval/ rejection within 2 working days from the date of acknowledgement (**Annexure 5**).
 - v. The Compliance Officer shall retain copies of all applications and acknowledgements either in physical or electronic mode.
 - vi. In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed deal is on the basis of possession of UPSI. There shall be no obligation to give reasons for any withholding of consent.

- vii. All Designated Persons shall execute their order in respect of securities of the Company within seven (7) days after the approval of pre-clearance is given. They shall file within two (2) days of the execution of the deal, the details of such trade with the Compliance Officer in the prescribed form. If the order is not executed within seven (7) days after the approval is given, the Designated Persons and their Immediate Relatives must pre-clear the transaction again.
- viii. All Designated Persons shall hold their investments in securities for a minimum period of six (6) months, irrespective of mode of acquisition, in order to be considered as being held for investment purposes.

8.4 The Designated Person shall not execute a contradictory trade (except buyback, ESOP and activities of similar nature), for a period of six months, to a trade executed after pre clearance under this Clause. Any relaxation of such contradictory trade shall be recorded in writing by the Compliance Officer in his approval of such trade.

8.5 The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate this Code of Conduct or the Insider Regulations. Should a contradictory trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act. Provided that this shall not be applicable for trades pursuant to exercise of stock options.

9. Disclosures by the Designated persons

9.1 Designated persons shall be required to disclose names

and PAN or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes (in **Annexure 6**):

- i. immediate relatives
- ii. persons with whom such Designated Person(s) shares a material financial relationship
- iii. Phone, mobile and cell numbers which are used by them.

9.2 Additionally, the names of educational institutions from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

9.3 All Designated Persons and their Immediate Relatives shall disclose the number of securities acquired or disposed of within 2 (two) 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 Lakhs). Such disclosure would be required to be made irrespective of the transaction being pre-approved.

10. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

10.1 Any Insider who trades in securities or communicates any information for trading in securities, in contravention of this Code of Conduct may be penalized and appropriate action may be taken by the Company.

10.2 The Insider who violates this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage/ salary freeze, suspension, termination, etc.

10.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Insider Regulations.

11. WHISTLE BLOWING IN CASE OF LEAK OF UPSI

11.1 Any instance of leak of UPSI should be on the basis of a direct first-hand experience of the Whistle Blower. It

should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication.

- 11.2** The Whistle Blower may report leak of UPSI by an email to the Managing Director at his e-mail ID mentioning the subject line “LEAK OF UPSI”.
- 11.3** On the basis of reporting, the Managing Director shall conduct examination about the genuineness of the reporting before conduct of inquiry.
- 11.4** The Managing Director as soon as ascertaining the genuineness of the reporting about leak of UPSI, intimate to Board and the Audit Committee.
- 11.5** The Company shall take further action based on the recommendations of the Board and Audit Committee accordingly.
- 11.6** The instance of leak of UPSI made by the Whistle Blower must be genuine with adequate supporting data/proof. If it is established that the allegation was made with mala-fide intentions or was frivolous in nature or was not genuine, the Whistle Blower shall be subject to disciplinary action.

12. PROCEDURES FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 12.1** On becoming aware of actual or suspected leak of UPSI, the Compliance Officer shall ensure that the same shall be promptly intimated to the Audit Committee, the Board, the stock exchanges on which the securities of the Company are listed and SEBI.
- 12.2** The Audit Committee shall be responsible to conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to suspected leak of UPSI, if any, and to decide disciplinary action thereon.
- 12.3** The Audit Committee shall submit its report to the Board of within fifteen days (15) from the date on which the case

was referred to it.

- 12.4** The Board shall take the report on record and if the charges for the leakages of UPSI are found correct, then the Board may on its own discretion initiate disciplinary action against such person(s).

13. INFORMATION TO SEBI IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015.

13.1 Any violation of the Code of Conduct and/ or the Insider Regulations shall be immediately intimated to the Compliance Officer or the Board.

13.2 In case it is observed by the Board that there has been a violation of the Insider Regulations, the same shall be immediately intimated to SEBI.

14. Protection to Employee and Informant

This code provides for suitable protection against any discharge, termination, demotion, suspension, threats, harassment or discrimination, directly or indirectly, against any employee who submits information to SEBI.

As per the Amendment to the PIT Regulation Amendment 2019, this Code further allows the Informant access to legal recourse if the Informant has been subjected to retaliation or victimisation by the Company, and upon violation of this Amendment, the Company may be made liable and either penalized, debarred, suspended, or prosecuted against. It also provided that any agreement (written or oral) or code of conduct prohibiting an Informant to submit information to SEBI will be deemed void and any threat or act to impede an individual from communicating to SEBI is also prohibited.

ANNEXURE 1
REQUEST OF TRADING PLAN

The Compliance Officer,
Nirlon Limited,
Pahadi Village,
Goregaon (East),
Mumbai 400 063.

I, (Name of Insider) in my capacity as (Designation of Insider, if any) of Nirlon Limited ("Company"), hereby submit the following trading plan for your review and approval in terms of the Code of Conduct and Insider Trading Regulations.

TRADING PLAN

Date/intervals of trade execution	No of securities to be traded	Nature of transaction & quantity			Trading account details	Trading member details
		Purchases	Sale	Others		

Details of securities traded by Immediate Relative of the Employee

Name of the person and relationship with the Designated	Date of trading in securities in current financ	No of securities traded	Nature of transaction & quantity			Trading account details	Trading member details
			Purchase Sale Others	Purchase Sale Others	Purchase Sale Others		

I hereby undertake that I am not in violation of Company's Code of Conduct or SEBI Insider Trading Regulations while formulating the aforesaid trading plan.

I undertake to furnish such information as required by the Compliance Officer with regard to the Trading Plan.

I undertake that I will not trade in Shares of Nirlon Limited during the following period:

- Cool off period from : _____ to _____
- between the twentieth trading day prior to the last day of any financial period for which results are required to be announced and the second trading day after the disclosure of such financial results; and
- As and when Company's trading window will be closed as per "SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended" and "Nirlon Ltd's Internal Code of Conduct for Regulating, Monitoring, and Reporting by Insiders".

Date:

Signature_____

ANNEXURE 2
FORMAT FOR APPROVAL OF TRADING PLAN

Name: [Insert Name]

Designation: [Insert Designation]

Place: [Insert Place]

This is to inform you that your request/immediate relatives request for approval of trading plan in relation to shares of the Company as mentioned in your application dated [Insert Date] is approved.

The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

You acknowledge that in order to comply with the principles of Code of Conduct and SEBI (Prohibition of Insider Trading) Regulations, 2015 you may be required to further furnish information in relation to the trading plan.

The approval is based on your express undertakings that you will not contravene any provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct and the Trading plan is not for the purposes of market abuse.

Yours faithfully,

For Nirlon Limited

Compliance Officer

Date:

Encl: Format for submission of details of transaction

ANNEXURE 3
APPLICATION FOR PRE-DEALING APPROVAL
[DESIGNATED PERSON]

Date:

The Compliance Officer,
Nirlon Limited
Nirlon Limited,
Pahadi Village,
Goregaon (East),
Mumbai 400 063.

Dear Sir/Madam,

Sub: Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the Nirlon Limited ("Company") Code of Conduct for Prevention of Insider Trading, I seek approval to purchase / sale / subscription of _____ equity shares 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/Pledge / unpledged Any other transaction, please specify

	Proposed date of Trading in securities	
	Estimated number of securities proposed to be acquired/subscribed/sold/pledge , unpledge, 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 4
FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE
APPLICATION FOR PRE-CLEARANCE
[DESIGNATED EMPLOYEE/DESIGNATED PERSON]

UNDERTAKING

Nirlon Limited,
Nirlon Limited,
Pahadi Village,
Goregaon (East),
Mumbai 400 063.

I, [Insert Name], [Insert Designation] of the [Insert Details] Nirlon Limited ("Company") residing at [Insert Address], am desirous of dealing in [Insert] shares of the Company as mentioned in my application dated [Insert Date] for pre-clearance of *_____ number of the Shares transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Internal Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not executed any opposite transaction in past six months and not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 days of execution of the transaction/ a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Signature: [Insert Signature]

Date: [Insert Date]

* Indicate number of shares

ANNEXURE 5
FORMAT FOR APPROVAL OF PRE- CLEARANCE
ORDER [DESIGNATED EMPLOYEE/DESIGNATED
PERSON]

Name: [Insert Name]

Designation: [Insert Designation]

Place: [Insert Place]

This is to inform you that your request for dealing in [Insert number of shares] shares of the Company as mentioned in your application dated [Insert Date] is approved. Please note that the said transaction must be completed on or before [Insert Date] that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date this approval shall stand withdrawn and you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken 'Nil' report shall be necessary.

Based on your undertaking it is understood that you have not executed any opposite transaction in past six months and not contravened the provisions of the Code as notified by the Company from time to time.

Please note this approval can be withdrawn, if subsequently the information provided by you in the application form or the undertaking is found incorrect.

Yours faithfully,

For Nirlon Limited

Compliance Officer

Date: _____

Encl: Format for submission of details of transaction

ANNEXURE 6

(ONE TIME DISCLOSURE BY DESIGNATED PERSON)

FORM FOR DISCLOSURE OF NAMES AND PERMANENT ACCOUNT NUMBER OR ANY OTHER IDENTIFIER AUTHORIZED BY LAW OF THE FOLLOWING PERSONS TO THE COMPANY ON AN ANNUAL BASIS AND AS AND WHEN INFORMATION CHANGES

Annual Disclosure as of 1st April	
Name of the Designated Person	
PAN Number	
Contact address with Mobile/Land Line Number and DP ID and Client ID (Self)	
Names of Education Institutions from which the Designated Person has graduated	
Names of Past Employers	

A. Details of Immediate Relatives *

Relationship	Name	PAN or any other Identifier authorized by Law	Mobile Number / Land Line Number	DP ID and Client ID
Spouse				
Child of the Designated Person or his spouse				
Parents				
Sibling				

*Immediate relative mean 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;

B. Names of persons with whom such Designated Persons shares a material financial relationship **

Relationship	Name	PAN or any other Identifier authorized by Law	Mobile Number / Land Line Number	DP ID and Client ID

**Material financial relationship 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 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.

Signature of Designated Person

Date:

Place:

Nirlon Limited's Code for fair disclosure of unpublished price sensitive information and policy for determination of legitimate purposes

This Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Code**") adopted by Nirlon Limited pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in respect of fair disclosure of Unpublished Price Sensitive Information relating to the Company and/ or its securities. This Code shall come into force from April 1, 2019.

1. Definitions

- a. "**Act**" means the Securities and Exchange Board of India Act, 1992;
- b. "**Board**" means the Board of Directors of the Company;
- c. "**Code**" means Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading by Insiders;
- d. "**Company**" means Nirlon Limited;
- e. "**Compliance Officer**" means Compliance Officer of the Company as designated by the Board;
- f. "**Unpublished price sensitive information**" or "**UPSI**" 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 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;
 - vi. Such other significant information of the Company as may be

determined by the Chief Financial Officer and Compliance Officer of the Company.

- vii. Any other matter as may be prescribed by law, from time to time.

Other terms not specifically defined here shall have the same meaning as assigned under the Code of Conduct for prevention of insider trading in securities of Nirlon Limited and the Insider Regulations.

2. The Principles of Fair Disclosure adopted by Nirlon Limited are as follows:

- a. To promptly make public disclosure of unpublished price sensitive information that would impact price discovery. Such disclosures are to be made no sooner than credible and concrete information comes into being in order to make such information generally available.
- b. To make disclosures of unpublished price sensitive information, as and when made, in a universal and uniform manner through forums like widely circulated media and/ or through stock exchanges where its equity shares are listed. Selective disclosure of unpublished price sensitive information is to be avoided.
- c. The Compliance Officer as the Chief Investor Relations Officer shall deal with dissemination of information and disclosure of unpublished price sensitive information.
- d. To promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise if at all, to make such information generally available.
- e. To provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f. To ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- g. To publish proceedings of meetings with analysts and of other investor relations conferences on its official website www.nirlonltd.com to ensure official confirmation and documentation of disclosures made therein.

- h. To handle all unpublished price sensitive information on a need-to-know basis only.

3. Policy for determination of "Legitimate Purpose"

The Policy for determination of "Legitimate Purposes" is annexed and forms part of this Code.

4. Review of Code

The Board of Directors of the Company may amend/ substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code. Any amendment(s) in the statutory/regulatory requirements shall be binding even if not incorporated in this Code.

This Code shall be published on the Official Website of the Company www.nirlonltd.com.

Nirlon Limited's Policy for determination of legitimate purposes

- 1.** This Policy, as a part of "Nirlon Limited's Codes of Fair Disclosure and Conduct" formulated under SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy". This Policy shall be effective from April 1, 2019.
- 2.** Legitimate purpose shall include but not limited to sharing of unpublished price sensitive information (UPSI) in the ordinary course of business, on a need-to-know basis, 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.
- 3.** Any person in receipt of UPSI pursuant to a "Legitimate Purpose" shall be considered an Insider. The Insider shall conduct the following steps while sharing UPSI:
 - a. Satisfy that information is UPSI and sharing is for legitimate purpose;
 - b. Identify the persons with whom the information is to be shared;
 - c. Notify the recipient that UPSI is being shared and enter into a confidentiality/ non-disclosure agreement;
 - d. Mode of sharing UPSI shall be either by an email or hard copy or any other electronic mode or device or provide access to the information, data, server etc.
- 4.** A structured digital database of the persons with whom UPSI is shared shall be maintained containing the names of such persons or entities as the case may be with whom UPSI is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks

such as time stamping and audit trails to ensure non-tampering of the database. The Compliance Officer shall maintain such database and place before the Board and Audit Committee in its report on half year basis for maintaining authenticity of the data base.

5. The Policy shall be reviewed periodically in accordance with review of internal control and check as well as changes or any regulatory requirements from time to time. In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall prevail.

Kunnasagaran Chinniah

Director

Place

Date