

DIAMINES AND CHEMICALS LIMITED

CIN: L2411GJ1976PLC002905

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information*

As required under Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”), Diamines and Chemicals Limited (“the Company”), hereby notifies the **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** (UPSI) in adherence to the principles set out in Schedule A to the said Regulations (hereinafter referred to as “the Code”).

Regulation 3 of PIT Regulations allows communication or procurement of UPSI if the same is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

The Code intends to formulate a framework and policy for:

- i. fair disclosure of events and occurrences that could impact price discovery in the market for the securities of the Company; and
- ii. determination of “Legitimate Purposes”.

The Code shall be deemed to have come into force from April 01, 2019.

To achieve this objective, the Board of Directors shall adhere to the principles of fair disclosure mentioned hereunder to ensure fair disclosure of events and occurrence that could impact price of its securities in the market. The executive management of the Company shall appropriately determine the purpose of sharing any UPSI based on the principles, as elaborated hereunder.

Principles of fair disclosure

1. Unless otherwise restricted under the terms of any contract, the Company shall ensure prompt public disclosure of UPSI that could impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available', i.e. to make the information accessible to the public on a non-discriminatory basis.
2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.
4. The Company shall ensure prompt public dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information 'generally available'.
5. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by

regulatory authorities. The Company as a policy, may choose not to respond to market rumours.

6. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
7. All presentations made to financial analysts or investor relation conference/meetings will be immediately hosted in the Company's official website.
8. The Company shall ensure the handling of all UPSI on a need-to-know basis.
9. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of PIT Regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

Principles for determination of "Legitimate Purpose"

1. The Company shall ensure that UPSI is:
 - 1.1 communicated, provided or is accessible to insiders; or
 - 1.2 procured by any person only in furtherance of legitimate purpose.
2. An action shall be considered to be undertaken for a "legitimate purpose" if:
 - 2.1 it conforms with the statutes applicable to the Company;
 - 2.2 it is taken pursuant to a legal/ regulatory obligation of the Company;
 - 2.3 it conforms to the business of the Company/ is in the ordinary course of business of the Company;
 - 2.4 it is undertaken by a person to fulfil the obligations of his/ her role with respect to the Company;
 - 2.5 the action is executed in a manner which can be considered fair, transparent and effective;
 - 2.6 the action does not lead to 'market abuse';
 - 2.7 the action does not result into personal benefit of any Connected Person.
3. Legitimate Purpose shall include sharing of 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 PIT Regulations. Purposes involving sharing of UPSI, which shall be deemed to be legitimate, shall include, but will not be limited to the following:
 - 3.1 facilitating conduct of due diligence for undertaking any transaction in the ordinary course of business; and
 - 3.2 preparation of financial statements.
4. Designated persons shall be required to disclose name 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:

- 4.1 immediate relatives
- 4.2 persons with whom such designated person(s) shares a material financial relationship
- 4.3 Phone, mobile and cell numbers which are used by them
- 4.4 In addition, 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.

Explanation – The term “material financial relationship” shall 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.”

- Structured Digital Database And Institutional Mechanism For Prevention Of Insider Trading

The structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared under the regulation 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 internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

Internal Control Systems places responsibility on the Executive Director and/or CEO to put in place adequate and effective system of internal controls to ensure compliance with the requirements of SEBI (Prohibition of Insider Trading) Regulations and to prevent insider trading.

Internal controls shall include –

- Identification of all employees having access to UPSI as designated employees
- All UPSI to be identified and confidentiality maintained
- Restriction on communication or procurement of UPSI shall be placed
- List of employees with whom UPSI is shared to be maintained and confidentiality agreements or notice to be served on them
- Periodic process review to evaluate effectiveness of internal controls.

Structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital databases shall be preserved till the completion of such proceedings

The Audit Committee of the Company shall review compliance with the Regulations at least once in a financial year and verify that internal control systems are adequate and operating effectively.

The decision of the Board of Directors with regard to all matters relating to the Code will be final and binding.

The Board of Directors reserves the right to modify or amend the Code in whole or in part.

This Code and every subsequent amendment made thereto shall be promptly intimated to the stock exchange where the securities are listed.

This Code is subject to review by the Board of Directors at least once a year or at a lesser frequency as the Board may decide.

This Code shall be hosted on the Company's website.

----- *END OF POLICY* -----

*[Ver.1 – Revised in pursuance of approval by the Board of Directors at its meeting held on February 12, 2019]

*[Ver.2 – Revised in pursuance of approval by the Board of Directors at its meeting held on February 05, 2021]