

**DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION
LIMITED**

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT
TRADING BY INSIDERS**

I. INTRODUCTION

With an intention to protect the interests of the investors, the Securities Exchange Board of India (SEBI) had formulated the SEBI (Prohibition of Insider Trading) Regulations, 1992 and these Regulations came into force on 19th November, 1992 and were made applicable to all Listed Companies.

On 15th January, 2015, SEBI introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, which came into force on 15th May, 2015, which resulted in repealing of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Insider trading refers to dealing in securities of a company based on unpublished price sensitive information by persons who could be privy to such information, and use it to secure a price advantage, as compared to general investors, which in turn will adversely affect the confidence of investors in the integrity of the management and the capital markets.

Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “Regulations”) requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, in supersession of the previous Code, a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the “Code”) for Deepak Fertilisers And Petrochemicals Corporation Limited (the “Company”) is hereby framed.

The Code shall be applicable to Directors, whether Executive or Non-Executive, all Employees in the cadre of General Managers and above, all Employees of the Finance & Accounts and Legal & Secretarial Departments in the cadre of Managers and above and persons holding professional or business relationships with the Company, whether temporary or permanent, and who may reasonably be expected to have access to unpublished price sensitive information in relation to the Company.

The Code is based on the principle that Directors, Officers & Employees owe a fiduciary duty to the stakeholders of the Company. They should place the interest of the stakeholders above their own and conduct their personal securities transactions, either by themselves or on behalf of others, in a manner that does not create a situation of conflict of interest. Further, the Code also seeks to ensure timely and adequate disclosure of price sensitive information to the investor community, by the Company to enable them to take informed investment decisions with regard to its securities.

Any information that relates directly or indirectly to the Company, which, if published, is likely to materially affect the price of securities of the Company, is considered price sensitive.

THRESHOLD LIMIT IN TRADING OF SECURITIES

Considering the size of the paid-up capital and the pattern of shareholding by Directors / Officers / Designated Employees of the Company, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of Rs.10,00,000/- (Rupees Ten Lakhs) in value over any calendar quarter, or such other limits as the Board may stipulate.

II. DEFINITIONS

In this Code unless the context otherwise requires :

- a) “Board” means the Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited and shall include any Committees of the Board.

- b) “Code” means this Code of Conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving the compliance with these Regulations, as applicable and modified from time to time.
- c) “Company / Deepak” means Deepak Fertilisers And Petrochemicals Corporation Limited and includes its successors, assigns.
- d) “Compliance Officer” means any employee designated as such by the Board.
- e) “Connected person” shall generally include-
 - i. Directors, Key Managerial Personnel, Designated Employees and Promoters (referred to as “Designated Persons”) who may have access to unpublished price sensitive information; and
 - ii. Immediate relatives of the above
- f) “Designated Employees” means:
 - i) such employees in the top three tier of the management, as may be identified by the Compliance Officer in consultation with the Managing Director of the Company and includes

Whole-time Director (s), Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President (s) (Internal Board), Executive Vice-President(s), Associate Vice President(s) and General Managers
 - ii) All employees of the Finance & Accounts, Legal & Secretarial Departments in the cadre of Managers and above, who do have access to price sensitive information as part of performing their job responsibilities from time to time.
 - iii) Any other employee, as may be designated from time to time, for the purpose of this Code, by the Compliance Officer in consultation with the Managing Director of the Company.
- g) “Director” means a member of the Board of Directors of the Company.

- h) “generally available information” means information that is accessible to the public on non-discriminatory basis.
- i) “insider” means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- j) “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;
- k) “Securities” includes shares, bonds, debentures or debenture stock or other marketable securities of like nature issued, or to be issued or created, or to be created, by the Company and includes rights or interests in the above.
- l) “trading” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly.
- m) “Trading Window” shall mean the period specified by the Compliance Officer during which Designated Persons and their immediate relatives are prohibited from any form of trading of the Company’s Securities. The Compliance Officer shall announce the period for which the Trading Window would be closed from time to time.
- n) "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following: –
 - i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel; and
 - vi. material events in accordance with the listing agreement.

- o) “Working Day” shall mean the working day when the regular trading is permitted on the concerned stock exchange where the securities of the Company are listed.
- p) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

III. COMPLIANCE OFFICER:

The Company Secretary / Assistant Company Secretary shall be the Compliance Officer of the Company. He shall ensure compliance and effective implementation of the Regulations and also the Code across the Company. The Compliance Officer shall hold the position so long as he/she is in the employment of the Company and in the performance of duties, shall have access to all information and documents relating to the securities of the Company.

The Compliance Officer shall be responsible for dealings with SEBI, in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

The Compliance Officer shall be responsible for formulating policies, procedures for monitoring adherence to the rules for the preservation of “Price Sensitive Information”, pre-clearance of trades of designated employees and their immediate relatives, monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the Company.

The Compliance Officer shall maintain a record of the designated employees and any changes to the list shall be updated immediately.

The Compliance Officer shall guide all the Designated Employees by giving clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code adopted by the Company, as and when necessary.

The Compliance Officer shall report to the Board of Directors and in particular to the Chairman of the Board of Directors on a half-yearly basis or at such frequency as may be stipulated by the Board.

REPORTING REQUIREMENTS FOR TRANSACTIONS & SECURITIES:

A. All Designated Persons undertake

- i) to disclose to the Compliance Officer in writing, the details of the securities held by him / her and his / her immediate relatives, including the positions taken in derivatives, if any, the date from which securities are held, the number of securities held at the time of implementation of the Code of Conduct for prevention of the Insider Trading or joining the Company or becoming the Director of the Company and such other information relating to the Securities as the Compliance Officer may require.
- ii) to furnish a periodic statement of any transactions in securities by them and their immediate relatives.
- iii) to disclose annually their holding including that of immediate relatives, if any, in the Company's securities.
- iv) to notify to the Company the details of securities held by him / her along with the immediate relatives, within 2 working days of becoming a director / designated employee of the Company.
- v) to notify the acquisition of shares or voting rights whether by way of a market purchase or allotment of shares within 2 working days of the receipt of acquisition of shares or allotment advice, as the case may be in case the shares held after such acquisition or allotment exceed 5% of total issued capital or voting rights in the Company.
- vi) to disclose to the Company the number of such securities acquired or disposed of 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 lakhs) or such other value as may be specified.

B. Pre-clearance of trades:

- i) Designated Persons and their immediate relatives intending to deal in the securities of the Company (above minimum cumulative threshold

as mentioned above) should seek pre-clearance from the Compliance Officer.

- ii) An application may be made in such form as the Company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the designated employee/officer/director intends to deal in and such other details as may be required by any rule made by the Company in this behalf.
- iii) Designated Persons and their immediate relatives are required to submit an undertaking to the Compliance Officer at the time of pre-clearance undertaking that (a) he / she has no access to unpublished price sensitive information upto the signing of the undertaking; (b) he / she shall refrain from executing the transaction for which pre-clearance has been sought in case he/she has access to any unpublished price sensitive information after the date of the undertaking but before the execution of the transaction; (c) he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time and (d) he / she has made full disclosure.

C Other restrictions

- i) All transactions for which pre-clearance has been obtained by any Designated Person and their immediate relative should be completed within seven days of the pre-clearance. If the transaction is not completed as specified above, then in such cases, a fresh pre-clearance is to be obtained from the Compliance Officer.
- ii) All directors/officers/designated employees who buy or sell any number of securities of the Company shall not execute a contra trade within a period of 6 (Six) months following the prior transaction. All director/officers/designated employees shall also not take positions in derivative transactions in the shares of the Company at any time.
- iii) In the case of sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard.
- iv) The Compliance Officer shall confidentially maintain a list as a “restricted list” as may be specified in the SEBI regulations which

shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

IV. PRESERVATION AND PREVENTION OF MISUSE OF UPSI

a) Preservation of “Price Sensitive Information”

The Directors, Officers and Designated Employees of the Company shall maintain the confidentiality and shall not pass on such price sensitive information to any person directly or indirectly by way of making recommendation for the purchase or sale of shares of the Company.

b) Need to Know Basis

Such information should be disclosed to those within the Company who need the information for discharging their duty and whose possession of that information will not give rise to a conflict of interest or appearance of misuse of the information.

All un-published information directly received by any employee should immediately be reported to the concerned department.

Norms for appropriate Chinese Walls procedures & processes will be as under -

i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered “inside areas” from those areas which deal with sale/marketing/investment advice or other departments providing support services, considered “public areas”.

ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.

iii. The employees in inside area may be physically segregated from employees in public area.

iv. Demarcation of the various departments as inside area may be implemented by the Company.

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.

c) Limited access to confidential information

Files containing confidential information shall be kept secure. Computer records / floppies / CD’s should be adequately secured of login and password.

d) Prevention of misuse of “Price Sensitive Information”

All Directors, Officers and Designated Employees shall be subjected to trading restrictions. The Company in this regard shall specify the trading period to be called as “Trading Window” for dealing in the Company’s Securities.

The Trading Window shall be closed during the time the price sensitive information is un-published, as detailed below:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel; and
- vi. material events in accordance with the listing agreement.

During the closure of the Trading Window, no person referred above shall trade in the Company’s Securities. All concerned shall conduct all their trading in securities only during the period when Trading Window is open in compliance with the provisions of this Code and the Regulations.

The Trading Window shall be closed at least seven days before the happening of any of the above mentioned events and would be opened 48 (Forty Eight) hours after the said information is made public.

e) Trading Window

During the period when the Trading Window is closed, Designated Persons and their immediate relatives shall be prohibited from Trading provided that for compelling reasons the Chairperson and / or the Managing Director may in its discretion permit the sale of Securities. The exact dates of each closure of the Trading Window shall be intimated to each Designated Person and it is the responsibility of each Designated Person to ensure compliance with this Code and by each of Designated Persons' immediate relatives.

V. INVESTIGATION

- i) The Compliance Officer shall have the power to investigate suspected violations of this Code and a report of his findings shall be submitted to the Managing Director within 7 days of commencement of investigation or such extended time period as the Managing Director may approve.
- ii) Based on the report of the Compliance Officer, the Managing Director shall be entitled to appoint any person to investigate a suspected contravention of this Code.
- iii) The Managing Director shall have the power to delegate to a person so appointed, all the powers including powers to call for information, examination, interrogation, recording evidence, etc.
- iv) In any investigation of suspected contravention of this Code the onus to prove that there is no violation of this Code, shall be on the concerned Insiders or their Dependent Family Members.
- v) The Company's Investigating Officer shall, within 7 working days from the conclusion of the investigation, submit a report to the Chairperson and/or the Managing Director.
- vi) The Chairperson and/or the Managing Director after consideration of the Investigation Report shall communicate the findings to the person being investigated and accord him an opportunity of being heard before taking any action as contemplated in these rules.

VI. PENALTY FOR CONTRAVENTION OF THE CODE

- i) Every Designated Employee shall be individually responsible for compliance with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Dependents).
- ii) Any Employee/Officer/Director who trades in securities or communicates any information for trading in securities in contravention of the Code may be penalized and appropriate action may be taken by the Company.
- iii) Employees / Officers / Directors of the Company who violate the code shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, vacation of office of director, ineligible for future participation in employee stock option plans, etc.
- iv) The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.
- v) The Managing Director shall upon receipt of the report as above and based on the finding contained therein be entitled to take action against the person found guilty for violation of this Code as he may in his absolute discretion deem fit including but not restricted to:
 - a) Issue letter of warning stating that consequence of contravention/non-adherence would result in dismissal from services.
 - b) Any other suitable action, to facilitate the implementation of the spirit of the Code.
- vi) Without prejudice to its rights under applicable Regulations, SEBI can also pass any or all of the following orders to an Insider found indulging in insider trading -
 - a) directing him / her not to deal in the Company's Securities in any particular manner.
 - b) prohibiting him/her from disposing of any of the Securities acquired in violation of the Regulations.

- c) restraining him/her from communicating or counselling any other person to deal in Company's Securities.
- d) declaring the transactions in Securities as null and void.
- e) directing the person who acquired Securities in violation of the Regulations, to deliver the Securities back to the seller or alternatively pay the Seller the price as provided.
- f) directing him/her to transfer specified amount to investor protection fund of a recognized Stock Exchange.

GENERAL

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

In case it is observed by the Company/Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by the Company.

AMENDMENTS TO THIS CODE

The Board reserves the right to amend this Code as and when it deems appropriate.

CODE OF FAIR DISCLOSURE

The Board of Directors of the Company shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles as stipulated in the Regulations in this regard.

The Compliance Officer shall be responsible in ensuring continuous disclosure requirement, overseeing and coordinating disclosure of Price Sensitive Information to Stock Exchanges, Analysts, Investors and Media and educating staff on disclosure policies and procedures.

The Company shall adhere to the SEBI regulations and timely reporting of the Price Sensitive Information and at the same time informing the Board of Directors of the Company

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

**Sailesh C. Mehta
Chairman and Managing Director
5th November, 2015**