

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Policy for Determination of Legitimate Purpose

Legal Framework

SEBI with an intention to protect the investors enacted SEBI (Prohibition of Insider Trading) Regulation, 2015 w.e.f. 15 May 2015.

Further, SEBI vide notification dated 31 December 2018 brought various amendments to the existing insider regulations to be effective from 1 April 2019. One of the amendments in Regulation 3 (2A) mandates the company to frame a policy for determining of legitimate purposes as a part of Codes of Fair Disclosure and Conduct.

Accordingly, a policy is framed as under:

1. Unpublished Price Sensitive Information (UPSI):

Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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:

- 1) financial results;
- 2) dividends;
- 3) change in capital structure;
- 4) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- 5) changes in key managerial personnel;
- 6) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

2. Sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers,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.

3. Issue of Notice to the recipient of unpublished price sensitive information

Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an insider for purposes of this Code and due notice shall be given or confidentiality / non-disclosure agreement will be signed with such persons:

- To make aware such person that the information shared is or would be UPSI.
- To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

4. Digital Database of recipient of unpublished price sensitive information

An structured digital database will be maintained containing the following details of such persons or entities as the case may be with whom unpublished price sensitive information is shared for legitimate purpose:

- Name of such recipient of UPSI;
- Name of the Organization or entity to whom the recipient represent
- Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

Adequate and effective system of internal controls **is also** be laid out to secure the database. Documents containing the UPSI information shall be kept secured.

This Policy is subject to review from time to time.