

**DABRIWALA BANIJYA UDYOG LIMITED**  
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**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**(PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

**NOTIFICATION DATED 15<sup>TH</sup> JANUARY, 2015**  
**REGULATION TO TAKE EFFECT FROM 15<sup>TH</sup> MAY, 2015**

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE**  
**OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

**I. PURPOSE**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has to formulate (i) a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to be followed by the Company in order to adhere to each of the principles set out in Schedule 'A' to the regulations, without diluting the provisions of these regulations in any manner and (ii) a Code of Conduct to regulate, monitor and report trading by all categories of employees of the Company and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule 'B' to these regulations, without diluting the provisions of these regulations in any manner.

**II. DEFINITIONS**

- (i) "Act" means the Securities and Exchange Board of India Act, 1992
- (ii) "Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (iii) "Board" means the Securities and Exchange Board of India.
- (iv) "Code (i) or "Code of Fair Disclosures" means Code of practices and procedures for fair disclosure of events and occurrences that would impact price discovery in the market for the equity shares of the company.
- (v) "Code (ii)" or "Code of Conduct" means a Code of Conduct to regulate, monitor and report trading by employees of the Company and other connected persons and includes professional firms such as auditors, accountancy firms, law firms, analysts, consultants, etc

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- (vi) "Compliance Officer" means the Secretary of the Company or any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.
- (vii) All other terms have the same meaning as defined in Regulation (2) of the said Regulations.

## **CODES OF FAIR DISCLOSURE AND CONDUCT**

The shares of Dabriwala Banijya Udyog Limited are listed with The Calcutta Stock Exchange Ltd. Accordingly, the Codes of Fair Disclosure and Conduct have been formulated and approved by the Board of Directors in its meeting held on 6<sup>th</sup> April, 2015. A note on the respective Codes is given hereunder.

### **Code – (i)**

#### **I. Code of Fair Disclosure**

- (1) The code of practices and procedures for fair disclosure of unpublished price sensitive information as envisaged under Regulation 8(1) of the Regulations, has been formulated to adhere to each of the principles set out in Schedule 'A' to these regulations, without diluting the provisions of these regulations in any manner.
- (2) Every such code of practices and procedures for fair disclosure of unpublished price sensitive information and every amendment thereto would be promptly intimated to the stock exchanges where the securities are listed.

(3) **Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

- a. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- c. Mr. Sandeep Indoria, Chief Financial Officer of the Company, has been designated as Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information by the Board of Directors in its meeting held on 6<sup>th</sup> April, 2015.
- d. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f. It is ensured that information that may be shared with analysts and research personnel is not unpublished price sensitive information.
- g. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- h. Handling of all unpublished price sensitive information on a need-to-know basis.

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**Code – (ii)**

**II. Code of Conduct**

- (1) The Code of Conduct has been formulated pursuant to Regulation 9 (1) of the Regulations, adopting the minimum standards set out in Schedule 'B' of these regulations without diluting the provisions of these regulations in any manner.
- (2) The purpose of this Code of Conduct is to regulate, monitor and report trading by the employees and other connected persons towards achieving compliance with these regulations.
- (3) Every other entities who are required to handle unpublished price sensitive information in the course of their business operations with the Company, should formulate a code of conduct to regulate, monitor and report trading by their employees and other connected persons towards achieving compliance with these regulations.
- (4) Mr. Prabhu Dayal Sureka, President of the Company, has been designated as compliance officer to administer the code of conduct and other requirements under these regulations.
- (5) **Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders**
  - a. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee and / or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors from time to time.
  - b. All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Appropriate Chinese wall is in place for all unpublished confidential information so that there cannot be any leakage before it is published and all statutory compliances have been made. Only designated persons can cross the wall. Inside areas which deal in financial information, are separate from the areas which deal in other activities like operations, administration, etc.

- c. Employees and connected persons designated on the basis of their functional role (“**designated persons**”) in the organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organization from time to time. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
- d. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the 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 unpublished price sensitive information. Such closure shall be imposed in relation to the information pertaining to the Company or the equity shares of the Company, directly or indirectly, i.e. generally not available and if 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;

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- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, demergers, acquisition, de-listing, disposal and expansion of business and such other transactions.
- (v) Changes in Key Managerial Personnel and
- (vi) Material events in accordance with the Listing Agreement with the Stock Exchanges.

Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

- e. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. 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.
- f. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the proposed trade is above a minimum limit of 20000 ordinary shares or shares having market value of Rs.3,00,000/- whichever is lower held at any given point of time. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
- g. The Company is not an “intermediary” as defined in Regulation 2(g) of Securities and Exchange Board of India (Intermediaries) Regulations, 2008. As such, maintenance of a “restricted list” is not required.

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However, it will be ensured that the Company deals with only such market intermediary / persons /every other entities, who are required to handle Unpublished Price Sensitive Information (UPSI), who have formulated a Code of Conduct as per the requirement of the Regulation.

- h. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- i. Trades which have been pre-cleared have to be executed by the designated person within seven trading days, failing which fresh pre-clearance would be needed for the trades to be executed.
- j. A designated person, who is permitted to trade, shall not execute a contra trade within six months. The compliance officer, if authorised by the Board of Directors, may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra 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.
- k. The Board of Directors of the Company shall stipulate from time to time, formats for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at an interval of six months or as may be determined subsequently being necessary to monitor compliance with these regulations.

- I. Without prejudice to the power of the Board under the Act, the sanctions and disciplinary actions as mentioned herein below are applicable for the contravention of the Code of Conduct.
  - (i) wage freeze,
  - (ii) suspension etc.
  
- m. In case it is observed by the Board of Directors of the Company that there has been a violation of these regulations, the Board will be informed promptly.

Kolkata

April 06, 2015