

Ducol Organics And Colours Ltd

Code of Insider Trading

What is insider trading?

Trading in securities of Ducol Organics And Colours Limited (“the Company”) by insiders including Directors, employees, and other insiders while in possession of the unpublished price-sensitive information about the Company. Any information, that is generally not available to the public, and can materially impact the price of securities is considered price-sensitive information.

Purpose of the “Insider Trading Code”

Insider trading erodes the investor’s confidence in the integrity of the management of the Company. Securities Exchange Board of India (SEBI) has formulated regulations in this respect vide their order, “Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015” which is amended from time to time. The purpose of this code is to ensure the full compliance of these regulations by all concerned and guidance to the Company's Directors and employees on the policy, and pre-clearance/notification procedures to be followed at the time of dealing in shares or other securities of the Company.

Definitions

“**Act**” shall mean the Securities and Exchange Board of India Act, 1992 (15 of 1992).

‘**Audit Committee**’ shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

‘**Board**’ shall mean the Board of Directors of Ducol Organics and Colours Limited

A “**Close Period**” in relation to a Trading Window, means:

- i. The period from the end of the financial year [31st March] up to the date of announcement of the unaudited and/or audited annual results and 48 hours thereafter: and
- ii. The period from the end of each half-year up to the date of the announcement of the unaudited half-yearly result and 48 hours thereafter.
- iii. The period during which the Compliance Officer determines that a designated person or a class of designated persons can reasonably be expected to have possession of unpublished price-sensitive information. The trading window may be reopened after closure, not earlier than 48 hours after the unpublished price-sensitive information in question becomes generally available.

“**Compliance Officer**”: The Board of the Company has appointed the Company Secretary as the Compliance Officer to ensure compliance and for effective implementation of the Regulations and also this Code across the Company. The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

“**Connected Person**”

- i. any person who is or has during the six 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.

- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
 - a. an immediate relative of connected persons specified in clause (i); or
 - b. a holding Company or associate Company or subsidiary Company; or
 - c. an intermediary as specified in Section 12 of the Act or an employee or Director thereof; or
 - d. an investment Company, trustee Company, asset management Company or an employee or Director thereof; or
 - e. a concern, firm, trust, Hindu undivided family, Company or association of persons wherein a Director of a Company or his immediate relative or banker of the Company, has more than ten percent. of the holding or interest.

“Designated Persons” means: -

- i. Directors; and
- ii. such Employees and Connected Persons (including representatives of the auditors, accountancy firms, law firms, analysts, consultants, etc.) as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code.
 - a. Chief executive officer
 - b. Secretary and Compliance Officer
 - c. All finance and IT department employees
 - d. All employees reporting to Managing Director and Chief Executive Officer
 - e. All Promoters of the Company
 - f. Immediate relatives of the person listed in ‘a’ to ‘e’ above

“Generally Available Information” means information that is accessible to the public on a non-discriminatory basis, such as information published on websites of stock exchanges.

“Immediate Relative” means the spouse of the Designated Person, and includes the parent, sibling, and child of such Designated Person or of the spouse, who are either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.

“Insider” means any person who is a Connected Person or in possession of or has access to Unpublished Price Sensitive Information.

“Unpublished Price Sensitive Information (“UPS I”) 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 Securities of the Company and shall, ordinarily include but not be 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; and
- (vi) material events in accordance with the listing agreement/regulations

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations.

Duties of a Compliance Officer

The Compliance Officer shall be responsible for:

- i. setting forth policies in relation to the implementation of the Code and the Regulations in consultation with the Board/Audit Committee,
- ii. prescribing procedures for various activities referred to in the Code,
- iii. compliance with the policies and procedures referred to hereinabove,
- iv. monitoring adherence to the rules for the preservation of UPSI,
- v. grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading,
- vi. implementation of this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.

The Compliance Officer shall maintain

- A register of the periods of Closed Trading Window, wherein he shall record the date of closure and opening of the trading window and the purpose for which the trading window is closed. A proforma of the register of periods of closure of the Trading Window is given in **Annexure I**.
- A record (either manual or in electronic form) of the Designated Persons and their Immediate Relatives (see **Annexure-2**) and changes thereto from time to time.

The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the Regulations and this Code.

The Compliance Officer shall place status reports before the Chairman of the Audit Committee, detailing Trading in the Securities by the Designated Persons along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code on a quarterly basis.

Restrictions on designated persons and all employees

Restriction on designated persons

- i. Restrictions on all employees mentioned in the above para are applicable to designated persons.
- ii. Designated persons shall not deal in Ducol securities/equity shares during the Close Period
- iii. Always seek pre-clearance for trading in Ducol securities/equity shares as per the procedure outlined in subsequent paras.
- iv. Designated persons shall not deal in Ducol securities/shares based on short-term considerations. They should not sell Ducol securities/equity shares within six (6) months of the last purchase and any purchase should not be made within six (6) months of the last sale. The following are the exceptions to this rule:
 - a. This rule of six months may be relaxed in individual cases by the Compliance Officer for reasons to be recorded in writing if such relaxation does not violate the SEBI Regulations. Any request for dispensation should be included in the written notice required under clause 7 of this Code. However, this provision shall not be applicable in case of trades pursuant to the exercise of stock options.
 - b. Off-market Inter-se transfer between designated persons;

- c. Transaction through Block deal window mechanism between Special Employees;
- d. Transaction due to statutory or regulatory obligations;
- e. Trade pursuant to duly approved Trading plan;
- f. Creation of pledge for bona fide purposes such as the raising of funds;
- g. Transactions which are undertaken in accordance with respective regulations made by SEBI such as subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer, or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

Restriction on all employees:

- i. Any employee who is in possession of any unpublished price-sensitive information should not deal in equity shares or any other securities of the Company.
- ii. No employee shall pass on any unpublished price-sensitive information to any person either directly or indirectly except for legitimate purposes on a need-to-know basis.

Trading Plan

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.

- i. Such trading plan shall:
 - a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
 - b. ii. not entail trading 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 issuer of the securities and the second trading day after the disclosure of such financial results;
 - c. entail trading for a period of not less than twelve months;
 - d. not entail overlap of any period for which another trading plan is already in existence;
 - e. set out either 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
 - f. not entail trading in securities for market abuse.
- ii. The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Regulations and this Code 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 plan.
 Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.
 Provided further that trading window norms and restrictions on contra-trade shall not be applicable for trades carried out in accordance with an approved trading plan.
- iii. 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 execute any trade in the securities outside the scope of the trading plan.
 Provided that the implementation of the trading plan shall not be commenced if any unpublished price-sensitive information is in possession of the insider at the time of

formulation of the plan has not become generally available at the time of the commencement of implementation and in such event, the Compliance Officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of Clause ____ of this Code.

- iv. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

Trading Window

- i. The Compliance Officer shall specify a trading period, to be called "Trading Window", for trading in the Securities. The Compliance Officer shall notify the closure of the trading window on the website of the Company and/or notice board at the corporate office of the company when he/she 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 such securities to which such unpublished price-sensitive information relates. It shall be the duty of the designated employee(s) to immediately inform the Compliance Officer about any unpublished sensitive information in their possession.
- ii. With respect to financial results, the listed company shall specify the 1st day (T- day) immediately after the end of every quarter for which results are to be announced, as 'Trading Window Closure commencement date' and the date on which 48 hours ends post disclosure of financial results, as 'Trading Window Closure End date' in the portal/platform
- iii. The Compliance Officer shall determine the time for re-opening of the trading window, for which the trading window is closed, after 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 (48) hours after the information becomes generally available.
- iv. Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed.
- v. The remaining days of a year other than the days when trading restrictions as above are in force shall be called Valid Trading Window.
The Designated Persons and their immediate relatives shall conduct all their dealing in Securities either in their own name or in the name of their immediate relatives only in a valid Trading Window and shall not deal in any transaction involving the purchase or sale of Securities when the Trading Window is closed.
- vi. The Compliance Officer shall maintain a register of the periods of Closed Trading Window, wherein he shall record the date of closure and opening of the trading window and the purpose for which the trading window is closed.
- vii. In the case of Employee Stock Option Schemes (ESOPs), the exercise of option may be allowed in the period when the Trading Window is closed. However, the sale of shares allotted on the exercise of ESOPs shall not be allowed when the Trading Window is closed.

Restrictions on pre-clearance of Trades by Designated Persons

- i. Pre-clearance of Trades shall be required to be obtained by all Designated Persons prior to Trading in Securities.
- ii. Every Designated Person must make an application in the format prescribed under this Code to the respective authority for pre-clearance as mentioned below, indicating the estimated number of the Company Securities that such person intends to Trade in, mode of

acquisition, and such other information as may be prescribed by the Insider Trading Regulations, amended and modified from time to time

Trading by the following persons	Authority for Pre-clearance
All Designated Persons including their Immediate Relatives (except Compliance Officer & Managing Director)	Compliance Officer
Compliance Officer and Managing Director	Board

- iii. Every Designated Person must sign an undertaking in the format prescribed under this Code. For the avoidance of doubt, each Designated Person shall also be required to make any other declarations and undertakings as the Compliance Officer may require on a case-to-case basis.
- iv. Pre-clearance shall not be required for the following transactions:
 - a. i. trades executed pursuant to an approved Trading Plan;
 - b. ii. transactions pursuant to the Transmission of shares in accordance with applicable law;
 - c. iii. transactions involving the transfer of Securities from a Depository Participant to another provided that the shareholder and the beneficial owner of such Securities do not change; however, Trades involving pledge and revocation of a pledge of Securities will continue to require pre-clearance as per this Code; and
 - d. iv. transactions pursuant to a merger, demerger, or any other Court Order; v. Exercise of stock options by a Participant. However, Trading in Securities, with respect to the Securities so acquired (including pursuant to a cashless option provided as a part of the exercise of stock options), shall not be exempted.

However, in the aforesaid cases (i to v) declaration in the form of a Completion Certificate as per the format prescribed under this Code shall be submitted to the Compliance Officer within 2 Trading days.

- v. Prior to approving any Trades, the Compliance Officer shall be entitled to seek any further declarations as he may deem fit from the applicant. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate. In case the Compliance Officer is of the opinion that the proposed Trade is on the basis of possession of Unpublished Price Sensitive Information or he has a reason to believe that the proposed Trade is in breach of the APL Code or the Insider Trading Regulations, he will not grant approval against the said pre-clearance application and shall convey the reasons.
- vi. The Compliance Officer shall inform the Designated Person, of approval of the pre-clearance application in the format prescribed under this Code within 2 (two) Working Days of the receipt of the application and other necessary documents or clarifications. In the absence of the Compliance Officer, the approval/rejection will be provided by the Managing Director.
- vii. All Designated Persons shall complete their Trade in respect of the Securities of the Company within 7 (seven) Trading Days from the date of approval granted by the Compliance Officer for the pre-clearance application. The details of the Trade including the total number of shares or voting rights bought or sold or traded in any manner by the Designated Person, the date on which the Trade was executed, etc., will be required to be informed forthwith, not exceeding 2 (two) Working Days from date of completion of the Trade to the Compliance Officer in the format prescribed under this Code.

If the Trade is not executed within 7 (seven) Trading Days from the date of the pre-clearance approval, the Designated Person shall inform the Compliance Officer in the format prescribed under this Code and re-submit the pre-clearance application in the prescribed format.

Annexure 1

REGISTER OF PERIODS OF CLOSURE OF TRADING WINDOW

Sl. No	Purpose for which Trading Window closed	Start date of closure of Trading Window	Date of notifying closure of Trading Window, If any	Date of opening of Trading Window	Date of notifying opening of Trading Window	Remarks	Initials

Annexure 2

DUCOL ORGANICS & COLOURS LIMITED

SHARE DEALING CODE CONFIRMATION CUM UNDERTAKING

To, Compliance Officer,
Ducol Organics & Colours Limited

Name: _____

Employee Id No.: _____

Designation: _____

Unit / Location: _____

Mobile No. : _____

I have received a copy of the Share Dealing Code of Ducol Organics & Colours Limited.

I have read and understood the requirements of the Code and hereby agree to abide by the same. I understand that any breach of the Code could lead to monetary/disciplinary action as prescribed under the Share Dealing Code.

Signature:

Date

Annexure 3
DUCOL ORGANICS & COLOURS LIMITED
PRE-CLEARANCE FORM

1. APPLICATION TO DEAL

To: Compliance Officer,
Ducol Organics & Colours Limited,

From (Name of the Employee): _____

Employee Id No.: _____

Department /Unit: _____ Location _____

With reference to the HUL Share Dealing Code, I hereby give notice that I propose to carry out the following transaction:

Transaction in the name of	
Relation	
PAN DP ID/CL ID/Folio No	
Type of Transaction	Open Market Purchase / Open Market Sale/ ESOP cash / ESOP Cashless / Gift
Type of Securities	
Number of Shares	

(Please give additional information if the transaction is proposed to be effected through connected persons).

UNDERTAKING: I hereby undertake and confirm:

- (a) that I do not have any access to or have not received price-sensitive information up to the time of signing this undertaking.
- (b) (b) that in case I access to or receive any price-sensitive information after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) (c) that I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time. (d) that I have made a full and true disclosure in this application.

Date: _____ (Signature) _____

2. AUTHORISED TO DEAL

The above transaction has been authorized in full / to the extent of _____ shares. Your dealing must be completed within 7 days excluding _____ (the date of approval). Please confirm by completing Part 3 below and returning this Form to us immediately upon completion of the transaction.

Date: _____ (Compliance Officer) _____

3. CONFIRMATION OF DEALING

I confirm that the share dealing was completed on _____ (Insert date) by buying/selling _____ shares/debentures through open market/ under ESOPs/Gift _____

Date: _____ (Signature) _____

Note: It is critically important that the Applicant Employee sends this confirmation IMMEDIATELY after completing the transaction by e-mail to the Compliance Officer, followed by dispatching the form, duly signed.

Annexure 4
DUCOL ORGANICS & COLOURS LIMITED
Annual Disclosure

To, Compliance Officer,
Ducol Organics & Colours Limited

Date: _____

Name: _____ Employee Id No. : _____

Designation: _____

Unit: _____ Location: _____

Mobile No.: _____ PAN: _____

Details of Transactions		
Self:		
Particulars / Type of transaction	No of shares (including derivatives)	Date of Pre-clearance
As on 1 st April (last year)		
As on 31 st March (Current year)		
Immediate Relatives (Name and Relation):		
Particulars / Type of transaction	No of shares (including derivatives)	Date of Pre-clearance
As on 1 st April (last year)		
As on 31 st March (Current year)		

Signature _____