

PACIFIC

INDUSTRIES LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

(As approved by the Board of Directors of the Company)

I PREAMBLE

Introduction

As a listed & publicly traded Company, **PACIFIC INDUSTRIES LIMITED** (the "**Company**") is obligated to comply with the disclosure requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "**Regulations**") that have come into effect on 15th May, 2015.

The fair disclosure requirements set forth in the Regulations are premised on all persons investing in securities of listed companies having equal access to information that may affect their investment decisions. Even more importantly, the integrity of the capital markets is based on full and fair disclosure of material information concerning public companies.

Regulation 8 (1) of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (hereinafter referred to as the 'Regulations') requires the Board of Directors of every Company whose securities are listed on a stock exchange to formulate and publish on its official website, a **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** (the "**Fair Disclosure Code**") that it would follow in order to adhere to each of the principles set out in Schedule A to the Regulations.

II DEFINITIONS

1. '**Chief Investors Relations Officer**' shall be such person as the Disclosure Code Committee may designate a person from time to time.
2. '**Company**' means Pacific Industries Limited

3. **'Compliance Officer'** shall mean any senior officer designated so and reporting to the Board of Directors.
4. **'Connected Person'** means:-
 - i. any person who is or has during the six months prior to the concerned act been associated with a 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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. an official of a stock exchange or of clearing house or corporation; or
 - f. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - g. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - h. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or

- i. a banker of the company; or
 - j. 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 per cent of the holding or interest;
5. **'Dealing in Securities'** means subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities either as principal or agent.
6. **'Fair Disclosure Code'** means this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
7. **'Generally available Information'** means Information that is accessible to public on non-discriminatory basis.
8. **'Trading'** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;
9. **'Unpublished Price Sensitive Information' (UPSI)** means:-

any information, relating to a company or its securities, 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, delistings, 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.

III INTERPRETATION

1. Terms that have not been defined in this Fair Disclosure Code shall have the same meaning assigned to them in Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 and in the Regulations.

2. The Fair Disclosure Code can be modified/amended/alterd only by Board of Directors of the Company. The Fair Disclosure Code or any amendment thereto shall be intimated promptly to stock exchanges and got their confirmation.

IV APPLICABILITY

In line with the said Regulations, this Fair Disclosure Code has been formulated and adopted by the Board of Directors of the Company to be effective from May 15, 2015.

V CODE DEFINING PRINCIPLES OF FAIR DISCLOSURE

1. **Aims of Corporate Disclosure Procedures and Practices:**
 - a. To raise awareness of the Company's approach to disclosure among directors, senior management and employees;
 - b. To raise awareness of the risk of selective disclosures.
 - c. Inculcate better awareness & thereby reducing the likelihood of insider trading.

2. **Objectives of Corporate Disclosure Procedures and Practices**

The objectives of the **Fair Disclosure Code of Corporate Disclosure Procedure and Practices** (the "**Fair Disclosure Code**") are as follows:

- a. to ensure prompt and systematic disclosure of UPSI that would impact price discovery obligations as mandated in the Regulations and also the provisions of listing agreements;
- b. to ensure that UPSI disclosed by the Company is timely and contains sufficient details to allow informed investment decision-making;
- c. to ensure that corporate documents and statements do not contain any unpublished price sensitive information and are accurate and do not contain any misrepresentation;
- d. to ensure that material information is made public in a non discriminatory manner, has wide dissemination and not selective;
- e. to protect the confidentiality of competitively sensitive information within the context of the Company's disclosure obligations;

- f. to provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company; and
- g. to provide appropriate guidance for the Company staff in executing their duties in accordance with the Company's disclosure obligations.

3. Corporate Disclosure Procedures

The Company is committed to supporting the timely and accurate disclosure of material information in order to facilitate efficient capital market activities. It is the policy of the Company to disclose all material information in accordance with the requirements as set out in Regulations.

The thrust of the Fair Disclosure Code is to cover:

- a. disclosure documents covered under listing agreements and filed with the stock exchanges;
- b. financial and non-financial disclosures;
- c. statements made in the Company's Annual Reports, quarterly financial results.

For purposes of this Fair Disclosure Code "**disclosure**" or "**corporate document**" or any other contextual similar material in relation thereto shall mean any printed or electronic communication disclosing information with respect to company's (or its subsidiary or other entity whose accounts are consolidated in company's balance sheet as mandated under the Companies Act, 2013, Listing Agreement or applicable Accounting Standards) operations, financial performance, business prospects or any material event, and includes any communication:

- a. that is filed or required to be filed with the stock exchanges or SEBI (the "Regulators"), Central or State government or any agency of a government; or
- b. the content of which would reasonably be expected to impact price discovery or value of the securities of the Company.

A "**material information**" means and includes Unpublished Price Sensitive Information as defined above.

4. **Disclosure Code Committee**

The requirement for a listed company to make information generally available depends on whether or not the relevant information constitutes price sensitive. The Company has established a Disclosure Code Committee (the "Committee") to oversee and govern this Fair Disclosure Code which will become functional w.e.f. 15-5-2015. The Committee shall comprise of members, as may be constituted from time to time.

The Committee is responsible for ensuring that disclosure requirements established under the Regulations are being followed and for supervising disclosure procedures and practices. This responsibility includes the design, implementation and regular evaluation of the Company's disclosure controls and procedures to ensure that the information required to be disclosed is credible and complete in Company's filings and is made known to the Committee and reported, processed and recorded timely.

Specific roles and responsibilities of the Committee include:

- a. ensuring continual compliance with the Fair Disclosure Code;
- b. identifying difficulties, deviations/violations in following and adhering to the obligations cast under the Regulations and in the Fair Disclosure Code and taking and implementing remedial and disciplinary action;
- c. monitoring the disclosure requirements contained in Regulations and developing amendments to the Fair Disclosure Code on the basis of experience gained and due to amendments or changes in Regulations and other relevant laws; and recommending for approval of such amendments to the Board;
- d. determining about whether:
 - i. information is price sensitive;
 - ii. a material change has occurred;
 - iii. selective disclosure has been or may have been made;
 - iv. misrepresentation has been or may have been made;
- e. reporting quarterly or on need basis to the Chairman of Audit Committee of the Board on compliance with the Fair Disclosure Code;

- f. ensuring appropriate internal communication of the Fair Disclosure Code; and

It is not expected that the Committee will have formal meetings or prepare minutes of meetings. Many decisions made by the Committee will be made by those members of the Committee who are then available on a real-time basis as a result of informal meetings and consultations. It is understood that where consultation with at least one other member of the Committee is not reasonably possible on a timely basis, any member of the Committee may make decisions under this Fair Disclosure Code, subject to subsequent reporting to and consultations with the other members of the Committee with respect to those decisions. Members of the Committee making any material decision under this Fair Disclosure Code should maintain a written note or record of that decision.

5. **Formal disclosure of Material Information**

The senior officers of the Company shall disseminate the information without delay giving full particulars of transactions, developments or information that can reasonably be considered Material/ Price Sensitive with respect to the Company so as to enable the members of the Committee to determine whether the same is required to be made generally available.

If there is any doubt whether any particular corporate information is material, a member of the Committee should be contacted.

6. **Approval by Committee before public disclosure**

UPSI and statements disclosing potentially price sensitive information in circumstances in which it is reasonable to conclude that such information needs to become generally available must be reviewed and approved by the Committee. In approving the disclosure, the Committee will apply the following principles:

- (a) it is reasonably satisfied that the disclosure does not contain a misrepresentation and is not, in a material respect, misleading or untrue;
- (b) if disclosure quotes a report, statement or opinion of an expert retained by or on behalf of the Company, a written consent has been obtained for using the report, statement or opinion;

7. **Issuance of News Releases**

A news release is a must for any information falling under clause 36 of Listing Agreement or pertains to a Material Change or when a selective disclosure of Material Information has occurred.

All news releases disclosing information that is potentially Material Information must be approved by the Committee prior to release.

Copies of news release will also be distributed to stock exchanges where the securities of the Company are listed. In case of a particular disclosure which in the opinion of the Committee requires prior approval of stock exchange before its release, the Compliance Officer shall obtain the opinion / approval of NSE and BSE.

8. **Selective disclosure**

No selective communication of undisclosed price sensitive information should be made.

There is an exception to this prohibition however, where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. See Regulation 3.1 - *Communicating or procurement of unpublished price sensitive information.*

If undisclosed Material Information is inadvertently disclosed, the Company must take immediate steps to ensure that the Material Information is generally available through the normal process described in this section. Such occurrence shall be reported to the Chairman of Audit Committee.

9. **Correcting errors**

If the Committee concludes that a news release, corporate document or a public oral statement issued or made contains errors or has not been generally disclosed, the Committee must take immediate steps to generally disclose the correct information or the Material Change, and immediately advise the Board of Directors of the Company.

10. **Communicating Material Information**

In view of practical difficulties in determine whether a confidential corporate information is material/Price Sensitive, directors, officers and employees of the Company should treat all confidential information as if it was material/Price Sensitive and communicate that information only on a "need-to-know" basis (including communications among employees of the Company). The Committee is authorized to ascertain whether any such knowledge or information needs to be made generally available or not.

It is not permitted to communicate, provide, allow access to or procure unpublished price sensitive information except in furtherance of legitimate purposes, performance of duties, or discharge of legal obligations as enumerated under Clause 3 (3) of the Regulations. Such third parties, recipient should be advised that the information is Undisclosed / Material Information that has not been made generally available. When undisclosed Material Information is disclosed, the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information confidential and will not divulge the Material Information to anyone except for the purpose of sub-regulation 3 (3) as aforesaid.

11. **Corporate disclosure and electronic communications**

Communication through website, e-mail and other channels available on the Internet must comply with this Policy and listing requirements, Security Laws, if any.

Disclosure on the Company's website alone does not constitute adequate disclosure of information that is considered unpublished price sensitive information. Any disclosures of material information on In accordance with this Policy, any Unpublished Price Sensitive / Material Information that is being contemplated for posting on the Internet must first be reviewed and approved by the Disclosure Code Committee. Any amendments to, or deletion of, existing Material Information on the Company's website, e-mail addresses or other Internet channels also must be approved by the Disclosure Code Committee.

All continuous disclosure documents will be posted to stock exchanges/in the *Investors* section of the Company's website.

The Company Secretary shall also be responsible for responses to enquiries electronically or otherwise from investors. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy shall be utilized in responding to such enquiries and shall endeavour to respond within two days of the receipt of such queries.

The Company Secretary shall endeavour to respond, in consultation with the Committee, to queries received from SEBI, stock exchanges, etc. within two working days of the receipt thereof.

12. **Disclosure record**

It shall be the duty of Committee to maintain file containing all information disseminated in above method except quarterly / annual results or reports required to be given under the Listing Agreements, Corporate or Security Laws.

Documents filed with stock exchanges/SEBI or press releases will be kept for five years as required under sub-regulation (4) of Regulation 6 of the Regulations. Communication with analysts, investors, recordings of speeches and presentations, notes from meetings and telephone conversations, debriefing notes, email and social media will be kept for three years.

13. **Personal responsibility**

It is the responsibility of all directors, officers and employees of the Company who have access to Material Information that has not been generally disclosed, whether they are insiders or not, to ensure that they are at all times fully aware of and in full compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as well as the requirements of this Fair Disclosure Code.

14. **Communication of the Policy**

All directors, officers and employees of the Company will be advised of this Policy and its importance. A copy of this Policy will be available on the Company's website and will be provided to the officers and employees of the Company. Such officers and employees are required to understand, review and follow this Policy and understand its relevance to ensure compliance with applicable securities laws and stock exchange rules.

This Policy will be circulated to all officers, directors, and employees initially and whenever material changes to the terms of this Policy have been made and approved by the Board.

15. **Responsibility for Policy management and administration**

Acting under the direction of the Committee, Head of the Corporate Communications is responsible for the ongoing administration and management of this Fair Disclosure Code, with the support of Secretarial Department.